



651 Commerce Drive
Roseville, CA 95678

phone (916) 781-3636
fax (916) 783-7693
web www.ncpa.com

NOTICE – Call of Special Meeting

January 4, 2024

To: NCPA Commission

From: Jerry Serventi, Chair

Subject: January 5, 2024 Special Commission Meeting // Zoom Meeting

PLEASE TAKE NOTICE that, pursuant to Government Code Section 54956, a Special Commission Meeting of the **Northern California Power Agency** is hereby called for **Friday, January 5, 2024, at 11:00 am** to discuss those matters listed on the attached Agenda at NCPA, 651 Commerce Drive, Roseville, CA 95678.

JERRY SERVENTI
Chair

/cap



651 Commerce Drive,
Roseville, CA 95678

phone (916) 781-3636
fax (916) 783-7693
web www.ncpa.com

Special Commission Agenda

Date: January 5, 2024
Subject: NCPA Commission Meeting
Location: NCPA Headquarters, 651 Commerce Drive, Roseville CA
Time: 11:00 am

In compliance with the Brown Act, you may participate via teleconference at one of the meeting locations listed below or attend at NCPA Headquarters. In either case, please: (1) post this notice and Agenda at a publicly accessible location at the participation location no later than 24-hours before the meeting begins, and (2) have a speaker phone available for any member of the public who may wish to attend at your location.

NCPA, 651 Commerce Drive, Roseville, CA 95678 (916) 781-3636

ALAMEDA MUNICIPAL POWER 2000 Grand St. Alameda, CA	JERRY SERVENTI 1549 Fifth Street Alameda, CA	BAY AREA RAPID TRANSIT DISTRICT 2150 Webster Street, 1 st Floor Oakland, CA
JAMES SHEPPARD 592 B Street, Apt. A Biggs, CA	CITY OF GRIDLEY 685 Kentucky Street Gridley, CA	CITY OF HEALDSBURG CITY HALL 401 Grove Street Healdsburg, CA
CITY OF LODI CITY HALL 221 W. Pine Street Lodi, CA	CITY OF LODI 1331 Ham Lane Lodi, CA	CITY OF LOMPOC 100 Civic Center Plaza Lompoc, CA
PALO ALTO CITY HALL Ground Level 250 Hamilton Ave. Palo Alto, CA	PLUMAS-SIERRA REC 3524 Mullholland Way Sacramento, CA	LARRY PRICE Plumas-Sierra 971 Chandler Road Quincy, CA
THE PORT OF OAKLAND 530 Water Street Oakland, CA	CITY OF REDDING 3611 Avtech Pkwy. Redding, CA	CITY OF SANTA CLARA City Hall 1500 Warburton Avenue Santa Clara, CA
CITY OF SHASTA LAKE 4332 Vallecito Street Shasta Lake, CA	TRUCKEE DONNER PUD 11570 Donner Pass Road Truckee, CA	CITY OF UKIAH 411 Clay Street Ukiah, CA

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.

REVIEW SAFETY PROCEDURES

1. *Call Meeting to Order, Introductions and Roll Call (11:00 am – 11:10 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

DISCUSSION/ACTION ITEMS (11:10 am – 12:00 pm)

2. ***Resolution 24-01, Reliable Turbine Services LLC – Five Year Multi-Task General Services Agreement; Applicable to the following: All Northern California Power Agency (NCPA) Facilities (Except the Lodi Energy Center), NCPA Members, Southern California Public Power Authority (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 Reliable Turbine Services LLC for inspection and maintenance services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$10,000,000 over five years, for use at any facilities owned and/or operated by NCPA (except the Lodi Energy Center), NCPA Members, by SCPPA and SCPPA Members.
Fiscal Impact: Upon execution, the total cost of the agreement is not to exceed \$10,000,000 over five years. Purchase orders referencing the terms and conditions of the agreement will be issued following NCPA procurement policies and procedures.
3. ***Resolution 24-02, NCPA Geothermal Plant 1, Unit 2 Turbine Overhaul Project; Applicable to the following: NCPA Geothermal Facility*** – adopt resolution by all members authorizing the Geothermal (Geo) Plant 1, Unit 2 Turbine Overhaul Project and delegating authority to the General Manager or his designee to award bids, execute agreements, and to issue purchase orders for the project in accordance with NCPA purchasing policies and procedures, including approval for the turbine work to be awarded on a sole-source basis, without further approval by the Commission, for a total not to exceed \$7,200,000, and authorizing the use of previously collected Geo Decommissioning Reserve funds to fund the project. These funds are to be replenished by the Project Participants over a three-year period through the normal budgeting process.

Fiscal Impact: The total cost is anticipated not to exceed \$6,500,000. A breakdown of the project costs is shown in the table below.

Description	Cost
Unit 2 Turbine Rotor Overhaul and Generator Reset	\$4,500,000
Unit 2 GSU Transformer Overhaul	\$300,000
Transportation and Insurance	\$100,000
Additional Balance of Plant Work	\$200,000
Incidentals (scaffold, etc)	\$400,000
Lakeville 230KV Line Repairs	\$500,000
Contingency	\$1,200,000
Total	\$7,200,000

Funding for the Unit 2 Overhaul may be accomplished in several ways. Funding options are shown in the table below.

Description	Cost
Geo Decommissioning Reserve	\$7,200,000
Other Options	
Combined Special Geo Reserve	\$1,500,000
Maintenance Reserve	\$3,589,000
Defer or Reduced Project Funding	\$1,500,000
Total	\$6,589,000

Staff is recommending that \$7,200,000 for the Geothermal Plant 1, Unit 2 Overhaul Project be spent from the Geo Decommissioning Reserve and replenished over a three-year period through the normal budget process. Staff will recommend a budget augmentation of \$7,200,000 at the January 18, 2024 regularly scheduled Commission meeting with no additional collections required in Fiscal Year 2024.

The Projected cash balance for the Decommissioning Reserve at June 30, 2024 is approximately \$1.2 million. NCPA will fund the balance of the repair costs by liquidating reserve investments as necessary when the expenditures are invoiced..

The Fiscal Year 2025 budget impact of a three-year payback period of the \$7.2 million into the reserve would be as follows:

2024 Budget	
Decommissioning Reserve Collection	\$1,578,823
Debt Service Collection	\$3,482,198
Total 2024 Decommissioning and Deb Svc	\$5,061,021
2025 Budget	
Decommissioning Reserve Collection	\$2,417,081
Year One Reserve Reimbursement	\$2,400,000
Debt Service Collection	\$ 0
Total 2025 Decommissioning and Deb Svc	\$4,817,081
Net Decrease to 2025 Budget	\$ 243,940

The Combined Special Geo Reserve balance is currently invested with a maturity date of November 7, 2025. The sale of that investment would result in a loss and is not recommended.

ADJOURNMENT

JS/cp




2

Commission Staff Report

COMMISSION MEETING DATE: January 5, 2024

SUBJECT: Reliable Turbine Services LLC – Five Year Multi-Task General Services Agreement; Applicable to the following: All Northern California Power Agency (NCPA) Facilities (Except the Lodi Energy Center), NCPA Members, Southern California Public Power Authority (SCPPA), and SCPPA Members

AGENDA CATEGORY: Discussion/Action

FROM:	Michael DeBortoli 	METHOD OF SELECTION:
	Assistant General Manager	N/A
Division:	Generation Services	<i>If other, please describe:</i>
Department:	Geothermal	

IMPACTED MEMBERS:		
All Members	<input checked="" type="checkbox"/>	
Alameda Municipal Power	<input type="checkbox"/>	
San Francisco Bay Area Rapid Transit	<input type="checkbox"/>	
City of Biggs	<input type="checkbox"/>	
City of Gridley	<input type="checkbox"/>	
City of Healdsburg	<input type="checkbox"/>	
City of Lodi	<input type="checkbox"/>	
City of Lompoc	<input type="checkbox"/>	
City of Palo Alto	<input type="checkbox"/>	
City of Redding	<input type="checkbox"/>	
City of Roseville	<input type="checkbox"/>	
City of Santa Clara	<input type="checkbox"/>	
City of Shasta Lake	<input type="checkbox"/>	
City of Ukiah	<input type="checkbox"/>	
Plumas-Sierra REC	<input type="checkbox"/>	
Port of Oakland	<input type="checkbox"/>	
Truckee Donner PUD	<input type="checkbox"/>	
Other	<input type="checkbox"/>	
<i>If other, please specify</i>		

RECOMMENDATION:

Approve Resolution 24-01 authorizing the General Manager or his designee to enter into a Multi-Task General Services Agreement with Reliable Turbine Services LLC for inspection and maintenance services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$10,000,000 over five years, for use at any facilities owned and/or operated by NCPA (except the Lodi Energy Center), NCPA Members, by SCPPA and SCPPA Members.

BACKGROUND:

Inspection and maintenance services are required from time to time for the operation and maintenance of facilities owned and/or operated by NCPA (except the Lodi Energy Center), NCPA Members, by SCPPA and SCPPA Members. NCPA desires to enter into this agreement so established terms and conditions are in place should this vendor be the successful bidder on future purchases. NCPA has agreements in place with Stephens Mechanical Corporation, TCB Industrial, Inc. and Sulzer Turbo Services Houston, Inc. for similar services.

FISCAL IMPACT:

Upon execution, the total cost of the agreement is not to exceed \$10,000,000 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 needed, NCPA will bid the specific scope of work consistent with NCPA procurement policies and procedures. NCPA seeks bids from qualified providers as required. Bids are awarded to the vendor providing the best overall value to NCPA. 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 of the California Environmental Quality Act. No environmental review is necessary.

COMMITTEE REVIEW:

The recommendation above was reviewed by the Facilities Committee on January 3, 2024. Due to the lack of a quorum, no formal action was taken, however, the Members present at the meeting voiced their support for the recommendation, and no other meeting attendees had any objections.

Respectfully submitted,


for RANDY S. HOWARD
General Manager

Attachments (2):

- Resolution 24-01
- Multi-Task General Services Agreement with Reliable Turbine Services LLC

RESOLUTION 24-01

RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY
APPROVING A MULTI-TASK GENERAL SERVICES AGREEMENT WITH RELIABLE
TURBINE SERVICES LLC

(reference Staff Report 100:24)

WHEREAS, inspection and maintenance services are required from time to time for the operation and maintenance of facilities owned and/or operated by the Northern California Power Agency (NCPA) (except the Lodi Energy Center), NCPA Members, by the Southern California Public Power Authority (SCPPA), and SCPPA Members; and

WHEREAS, Reliable Turbine Services LLC is a provider of these services; and

WHEREAS, the NCPA Commission has reviewed the Multi-Task General Services Agreement with Reliable Turbine Services to provide such services as needed at any facilities owned and/or operated by NCPA, NCPA Members, by SCPPA, and SCPPA Members; 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 said Multi-Task General Services Agreement, with any non-substantial changes as approved by the NCPA General Counsel, which shall not exceed \$10,000,000 over five years, for use at any facilities owned and/or operated by NCPA (except the Lodi Energy Center), NCPA Members, by SCPPA, and SCPPA Members.

PASSED, ADOPTED and APPROVED this ____ day of _____, 2024 by the following vote on roll call:

	<u>Vote</u>	<u>Abstained</u>	<u>Absent</u>
Alameda	_____	_____	_____
San Francisco BART	_____	_____	_____
Biggs	_____	_____	_____
Gridley	_____	_____	_____
Healdsburg	_____	_____	_____
Lodi	_____	_____	_____
Lompoc	_____	_____	_____
Palo Alto	_____	_____	_____
Port of Oakland	_____	_____	_____
Redding	_____	_____	_____
Roseville	_____	_____	_____
Santa Clara	_____	_____	_____
Shasta Lake	_____	_____	_____
Truckee Donner	_____	_____	_____
Ukiah	_____	_____	_____
Plumas-Sierra	_____	_____	_____

JERRY SERVENTI
CHAIR

ATTEST:

CARRIE POLLO
ASSISTANT SECRETARY



**MULTI-TASK
GENERAL SERVICES AGREEMENT BETWEEN
THE NORTHERN CALIFORNIA POWER AGENCY AND
RELIABLE TURBINE SERVICES LLC**

This Multi-Task General Services Agreement (“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 Reliable Turbine Services LLC, a Delaware limited liability company with its office located at 858 Acid Mine Road, Sullivan, MO 63080 (“Contractor”) (together sometimes referred to as the “Parties”) as of _____, 2024 (“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(s). The Purchase Order(s) 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 to perform the Requested Work. If Contractor does not respond within the seven day period specified, then Contractor will be deemed to have rejected the Purchase Order.

Section 2. COMPENSATION. Agency hereby agrees to pay Contractor an amount **NOT TO EXCEED TEN MILLION** dollars (\$10,000,000.00) 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 or progress payment schedule. 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
AcctsPayable@ncpa.com

2.2 Monthly Payment. Agency shall make monthly payments, based on invoices received, for Work satisfactorily performed in accordance with the requirements of this Agreement, 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 Workers' Compensation coverage having statutory limits and Employer's Liability limits of not less than one million dollars (\$1,000,000.00) per accident and per employee and policy limit for disease.

4.2 Commercial General Liability 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 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 limit of \$5,000,000 per occurrence/\$5,000,000 aggregate. Commercial general liability 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 limit of \$2,000,000 combined single limit, 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.** Not Applicable.
- 4.4 Pollution Insurance.** Not Applicable.
- 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, Contractor shall provide the certificates of insurance and 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.
- 4.5.5 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. In addition, 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.
- 4.6 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 is also responsible to obtain and maintain sufficient insurance to ensure repair or replacement of Agency's rotor and associated

equipment in transit to and from Agency's Site and while the rotor is at Contractor's facility. Contractor's liability shall transfer once Agency's rotor is placed on the truck for transport and shall end when Agency's rotor is lifted off the truck and placed on Agency's turbine deck for installation. 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 breach of this Agreement or negligent or willful acts or omissions by Contractor, its officers, officials, agents, and employees, except as caused by the sole negligence or sole or proportional gross negligence of Agency, its officials, commissioners, officers, employees, agents or volunteers (other than Contractor). 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.
- 5.3 Transfer of Title.** Not Applicable.
- 5.4 Limitation of Liability.** Except for indemnification obligations arising from Contractor's gross negligence or willful misconduct, the total liability of Contractor for all claims arising out of or relating to the performance or breach of this Agreement or any Work shall not exceed (i) the insurance limits contained in Section 4 for the policy under which coverage for the claim is available or (ii) if the claim is not covered by insurance: (a) 100% of the total compensation for the Requested Work under which the claim arose if the total compensation for the Requested Work is \$500,000 or above, (b) two (2) times the total compensation of the Requested Work but not to exceed \$500,000 if the total compensation for the Requested Work is greater than \$100,000 but less than \$500,000, or (c) three (3) times the total compensation but not to exceed \$250,000 if the total compensation for the Requested Work is less than \$100,000. NEITHER PARTY

SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, INDIRECT DAMAGES, LOSS OF PROFIT OR REVENUES, LOSS OF PRODUCT, LOSS OF USE OF PRODUCTS OR SERVICES OR ANY ASSOCIATED EQUIPMENT, LOSS OR INTERRUPTION OF BUSINESS, LOSS OF OPPORTUNITY, EXCEPT IN CONNECTION WITH ANY SUCH DAMAGES ASSERTED IN A THIRD PARTY TORT CLAIM.

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. This Paragraph 7.4 applies to all Work performed within the State of California. The Work is subject to compliance monitoring and enforcement by the Department of Industrial Relations.

7.5 Registration with DIR. This Paragraph 7.5 applies to all Work performed within the State of California. 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. This Paragraph 7.6 applies to all Work performed within the State of California. 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 applicable 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 provide a certified copy of its payroll, on forms to be determined by the Agency and consistent with the Labor Code, within ten (10) days of the Contractor's receipt of Agency's written request therefor. Contractor's failure to timely comply with this provision may subject the Contractor to penalties pursuant to state law.

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 \$200.00 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 in accordance with the requirements of this Agreement as of the effective date of termination plus any reasonable costs or expenses incurred by Contractor in connection with such termination, including demobilization costs; 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).

Provided there are no outstanding purchase orders to Contractor, Contractor can terminate this Agreement with thirty (30) days' notice. Contractor may also terminate this Agreement if Agency materially breaches this Agreement and fails to cure within thirty (30) days after Contractor provides Agency with detailed written notice of the breach and of Contractor's intention to terminate this Agreement.

8.2 Amendments. The Parties may amend this Agreement only by a writing signed by both of 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 shall have the following remedies:

8.4.1 Immediately terminate the Agreement, provided that: (a) Agency shall first provide Contractor with detailed written notice of the breach and of Agency's intention to terminate this Agreement, and (b) Contractor shall have failed, within 10 days after receipt of the notice (or such extended period as is considered reasonable by the parties), to either (1) commence and diligently pursue cure of the breach, or (2) provide reasonable evidence that the breach has not occurred;

- 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, affiliates, 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, affiliates, 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.
- 10.4 Delivery of Equipment to Site.** Agency acknowledges and agrees that in order to maintain the Work on schedule, Contractor shall have to right to deliver certain mutually agreed upon equipment, such as the rotor, and other items of the Work to the Site up to four (4) weeks before Contractor arrives on Site to complete the Work on a mutually agreed upon date. If Agency has available space to properly

store such mutually agreed upon deliveries, Agency will store such equipment and items at the Site, without charge to Contractor, although Contractor must maintain insurance coverage for equipment sent to Agency's site prior to initiating Work to install the equipment on site.

Section 11. WARRANTY.

- 11.1 Nature of Work.** 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 and applicable Purchase Order(s) entered into hereunder.
- 11.2 Deficiencies in Work.** 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 requirements of 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 conform to the requirements of this Agreement and applicable Purchase Order(s) entered into hereunder.
- 11.3 Assignment of Warranties.** To the extent they are assignable, 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.
- 11.4 Limitation of Warranties.** These warranties and remedies are conditioned upon (a) the proper storage (except by Contractor or its subcontractors), installation (except by Contractor or its subcontractors), operation, and maintenance and conformance with the proper operation instruction manuals provided by Contractor or its suppliers or subcontractors, (b) Agency keeping records of operation and maintenance during the warranty period and providing Contractor access to those records, and (c) modification or repair of Work performed only by Contractor or a third party authorized by Contractor in writing. Contractor does not warrant Work, or any repaired or replacement parts against normal wear and tear or damage caused by damage in transit (except by Contractor or its subcontractors), misuse, negligence, accident, or use against the advice of Contractor. Any modification or repair of any Work not authorized by Contractor, where modification and repair does not include maintenance, shall render the warranty null and void. THE WARRANTIES PROVIDED IN THIS SECTION 11 OF THIS AGREEMENT ARE EXCLUSIVE AND ARE IN LIEU OF ALL OTHER WARRANTIES, WHETHER WRITTEN, ORAL, IMPLIED OR STATUTORY,

INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

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** 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 the Assistant General Manager, Generation Services, 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:

Darrell Hoffman, President
Reliable Turbine Services LLC
858 Acid Mine Road
Sullivan, MO 63080

With a copy to:

Ohashi & Horn LLP
Attn: Cody A. Kachel
325 N. St. Paul Street, Suite 4400
Dallas, TX 75201

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:

Jane E. Luckhardt
General Counsel
Northern California Power Agency
651 Commerce Drive
Roseville, CA 95678

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, a Purchase Order, or Contractor's Proposal (if any), the Agreement shall control. In the case of any conflict between the Exhibits hereto and a Purchase Order or the Contractor's Proposal, the Exhibits shall control. In the case of any conflict between the terms of a Purchase Order and the Contractor's Proposal, the Purchase Order 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

RELIABLE TURBINE SERVICES LLC

Date _____

Date _____

RANDY S. HOWARD,
General Manager

DARRELL HOFFMAN,
President

Attest:

Assistant Secretary of the Commission

Approved as to Form:

Jane E. Luckhardt, General Counsel

EXHIBIT A

SCOPE OF WORK

Reliable Turbine Services LLC ("Contractor") shall provide inspection and maintenance services as requested by the Northern California Power Agency ("Agency") at any facilities owned or operated by Agency (except Lodi Energy Center), NCPA Members, Southern California Public Power Authority (SCPPA) or SCPPA members.

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

- Compressor inspections
- Steam Turbines inspections
- Major turbine inspections
- Process pumps and compressors
- Turbine overhaul and valve maintenance
- Field machining and Millwright services
- Propose resource requirements for maintenance outages
- Crane support and operation
- Project management, turbine tooling kits, and transportation of all equipment
- Provide senior technical advisors and support packages as required.

No project under this Agreement shall include Work that would qualify as a Public Works Project under the California Public Contract Code.

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:



RTS Rate Sheet

Document No. 2024 Rates

T&M Budgetary Price- All services to perform the approved Statement of Work will be billed at the Time and Material rates listed below. These rates are subject to escalation by RTS upon thirty (30) day written notice to Purchaser.

- ❖ Rates are based on Northern CA prevailing wages for Area 1 through June 30, 2024, labor rates are subject to change as of July 1, 2024.

DAYSHIFT

<u>Services:</u>	<u>Straight Time & Travel</u>	<u>Overtime</u>	<u>Premium Time</u>
Technical Advisor (TA)	\$190.00	\$215.00	\$240.00
STG Craft Labor Supervisor (CLS)	\$142.00	\$212.00	\$284.00
Millwright Working Foreman (MWF)	\$138.00	\$201.00	\$258.00
Millwright (MW)	\$138.00	\$201.00	\$258.00
Overhead Crane Operator (OCO)	\$138.00	\$201.00	\$258.00
Repair Technician (Welder/Machinist)	\$101.00	\$131.00	\$258.00
Generator Specialist	\$190.00	\$247.00	\$323.00

NIGHTSHIFT

<u>Services:</u>	<u>Straight Time & Travel</u>	<u>Overtime</u>	<u>Premium Time</u>
STG Craft Labor Supervisor (CLS)	\$145.75	\$218.75	\$291.75
Millwright Working Foreman (MWF)	\$143.50	\$210.00	\$270.50
Millwright (MW)	\$143.50	\$210.00	\$270.50
Overhead Crane Operator (OCO)	\$143.50	\$210.00	\$270.50
Repair Technician (Welder/Machinist)	\$105.50	\$138.00	\$181.00

ST, OT & PT Rate Definition:

Straight Time applies to hours worked, Monday through Friday, eight (8) hours per day (e.g., 7:00 a.m. until 3:30 p.m., 30 minutes for lunch), excluding holidays. Lunch breaks, (30) thirty minutes in duration, are billable to the customer when employees are working (10) ten-hour and (12) hour shifts.

Over Time applies to work performed outside the scheduled eight-hour shift on Monday through Friday, and all work on Saturday.

Premium Time – applies to work on Sundays and Holidays*.

Travel time for field personnel to the job site prior to commencement of work and away from the job site upon completion of the work will be computed as actual travel time per employee for each day, or part thereof, required for travel to or from the job site, at the stated straight time rate.

Standby Time – Invoiced at a straight time rate, up to eight (8) hours plus expenses. Standby is when the customer requests RTS personnel to leave the site (return to the motel) and wait for a call to return.

Waiting Time – Invoiced at the straight-time rate, up to eight (8) hours plus expenses. Waiting time is any time waiting due to no fault of RTS personnel, either at the customer's site or off-site. Waiting time will be incurred if there is no work scheduled for Saturday, Sun, and/or Holiday and RTS personnel return to work on Monday, or the next working day, but does not go home.

Holidays recognized by RTS in 2024:

New Year's Day: January 1, 2024



RTS Rate Sheet

Document No. 2024 Rates

Memorial Day: May 27, 2024
Independence Day: July 4, 2024
Floating Holiday: (observed) July 5, 2024
Labor Day: September 2, 2024
Thanksgiving: November 28, 2024
Christmas Eve: December 24, 2024
Christmas Day: December 25, 2024

Travel and Living Expenses:

Per Diem and Mileage

Daily Per Diem (Lodging, Food, Laundry, and Phone) (per www.gsa.gov as of Oct 2023)

- \$107.00 hotel
- \$44.25 travel meals
- \$59.00 meals while onsite

Note:

- Per Diem to be paid for any day worked, or on standby, Holiday, etc.
- Per Diem to be paid seven days a week for all personnel while assigned to the project.

Vehicle Mileage:

Per www.irs.gov, beginning on January 1, 2024, the standard mileage rates for the use of a car (also vans, pickups or panel trucks) are: 67 cents per mile driven for business use.

Travel Expense

When applicable, the following expenses will be invoiced to customer: airfare, airport parking, rental car, fuel, tolls, and ground transportation (taxi, bus, train, etc.) are to be invoiced at cost plus 15%

Daily Expenses

Daily expenses (local transportation, gasoline, etc.) are to be invoiced at cost plus 15%

Purchased Materials and Services:

For all work relating to this Agreement not specifically covered in the Statement of Work, all costs directly related to mobilization, disassembly, cleaning, inspection, re-assembly, or other work requested by Purchaser will be charged at actual cost plus 15% unless specifically provided otherwise. Examples of these costs include:

- Subcontractor services
- Shipping of tools, equipment, and trailers
- Shipping of turbines, rotors, and parts

All costs for consumables, equipment rented from third parties, postage, overnight delivery services, phones and other incidentals will be charged at actual cost plus 15%.

Purchaser will supply the replacement parts.

Special Requirements:

(Definition: requirements imposed on RTS by purchaser in which were not disclosed during the proposal development phase of the project.)

Any special requirements such as clothing and/or safety training will be billed to the customer at actual cost plus 15%. Any hours required for training classes will be billed at the hourly rate in effect set forth above.

Additional costs incurred for RTS employees to work in a country other than the U.S. (visas, licensing, fees, etc.) will be billed to the customer at actual cost plus 15%.



RTS Rate Sheet

Document No. 2024 Rates

Additional costs incurred by increased insurance (liability, property, and employee) requirements will be billed to the customer at actual cost plus 15%.

The cost of other special training/testing (example: specialized background screening, drug testing, etc.) required by Purchaser of RTS's workers shall be borne by Purchaser.

Project overhead such as management, tooling, equipment will be invoiced per this rate sheet. Any rental equipment or subcontracted services will be at cost plus 15%.

Extra Work

During the event of extra work, RTS will issue an extra work authorization form to the customer for approval to proceed.

- ❖ Unless specified on the EWA. Project overhead in regard to delays will be considered extra work and consumables/tooling will be invoiced at \$3.50 per manhour.
- ❖ All additional materials, rentals, freight, 3rd-party subcontracts, transportation, and travel expenses shall have 15% handling charge.
- ❖ Daily Per diem per person will be charged to the EWA unless majority of the individual daily hours are performed on base scope activities.
- ❖ Labor to be charged according to the labor rates listed above.
- ❖ Additional mob/demob to be specified on the EWA, if needed.

Tools and RTS-Owned Equipment

Purchaser shall pay rental fees to RTS for Tooling/Test Equipment, with any partial day being deemed for such purpose as a full day. Such fees will accrue from and including the date of receipt of the Tooling/Test Equipment to the day of departure inclusive.

OCIC Tooling/Equipment:

Equipment Description		Daily Rate
Major Maintenance Set	Mobile tool set containing selected hand tools, power tools, specialty tools and rigging equipment sufficient to perform a STG major inspection	\$865.00
Minor Maintenance Set	Mobile tool set containing selected hand tools, power tools, specialty tools and rigging equipment sufficient to perform a STG minor inspection	\$550.00
Office Connex	Office Connex 8x10 (frig, coffee, micro, printer)	\$100.00
2 Megawatt Tool Kit	Mobile tool set containing selected hand tools, power tools, specialty tools and rigging equipment sufficient to perform a 2MW and under Steam Turbine Generator Inspection	\$400.00
Job Specific Tooling	Hand selected tooling to accommodate project needs	\$230.00
1 1/2" Augment Tool Set	Mobile tool set containing 1 1/2" drive air impact, sockets, extensions, and adapters. Sizes from 1-7/16" to 3-1/2"	\$430.00
FME Kit	Items related to Foreign Material Exclusion compliance	\$60.00
Laser Coupling Alignment	Laser Coupling Alignment	\$115.00
Hytorc Kit (Hydraulic)	Hytorc Kit (Hydraulic) .75-1-1.5" heads	\$325.00
Hytorc Kit (Pneumatic)	Hytorc Kit (Pneumatic) 1"	\$100.00



RTS Rate Sheet

Document No. 2024 Rates

Castellated Tooling	Castellated Tooling	\$575.00
---------------------	---------------------	----------

Generator Tooling & Equipment

Equipment Description	Daily Rate
Doble Test Set	\$795.00
ELCID Test Set	\$1,190.00
High Resolution Borescope	\$265.00
HiPot Test Set	\$70.00
Test & Inspect Set	\$665.00

Repair Tooling & Equipment:

Equipment Description	Daily Rate
100 Ton Turn Device	\$1,000.00
50 Ton Turn Device	\$800.00
100 Ton Low Speed Balance Machine	\$1,000.00
25 Ton Low Speed Balance Machine	\$900.00
3 Axis Mill	\$365.00
Ball Seat Cutters	\$365.00
Boring Bar 2-1/4"	\$595.00
Boring Bar 4"	\$765.00
Boring Bar 6"	\$875.00
Boring Bar 8"	\$1,265.00
Boring Machine -Vertical	\$575.00
Bridgeport	\$275.00
Blader Table	\$275.00
Coupling Boring Machine	\$500.00
Dovetail Fixture	\$245.00
Encompass Welder (TIG)	\$575.00
Flange Facer	\$500.00
Horizontal Boring Machine Portable (MILL)	\$575.00
Hone Kit	\$400.00
Induction Heater (local stress cycle)	\$500.00
Key Mill Cutter	\$215.00
Knee Mill	\$365.00
Large Roll Machine	\$275.00
Magnetic Drill, Electric	\$105.00
Milling Machine Portable	\$500.00
Plasma Cutter	\$160.00
Portable Machine Shop	\$900.00
Portable Welder	\$125.00
Power Rollers	\$365.00
Punch Press	\$185.00
Roll, Electric	\$185.00
Rotor Shipping Skids	\$100.00
Snout Machine	\$425.00
Stud Remover	\$425.00
VTL Portable	\$515.00

A

Pricing for services to be performed at NCPA Member or SCPPA 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.

NOT APPLICABLE

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

Reliable Turbine Services LLC

(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.

NOT APPLICABLE

EXHIBIT D

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.

NOT APPLICABLE

EXHIBIT E

**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 established 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)



3

Commission Staff Report

COMMISSION MEETING DATE: January 5, 2024

SUBJECT: NCPA Geothermal Plant 1, Unit 2 Turbine Overhaul Project; Applicable to the following: NCPA Geothermal Facility

AGENDA CATEGORY: Discussion/Action

FROM:	Michael DeBortoli Assistant General Manager	METHOD OF SELECTION:	Competitive Pricing Process
Division:	Generation Services	<i>If other, please describe:</i>	
Department:	Geothermal		

IMPACTED MEMBERS:					
All Members	<input type="checkbox"/>	City of Lodi	<input checked="" type="checkbox"/>	City of Shasta Lake	<input type="checkbox"/>
Alameda Municipal Power	<input checked="" type="checkbox"/>	City of Lompoc	<input checked="" type="checkbox"/>	City of Ukiah	<input checked="" type="checkbox"/>
San Francisco Bay Area Rapid Transit	<input type="checkbox"/>	City of Palo Alto	<input type="checkbox"/>	Plumas-Sierra REC	<input checked="" type="checkbox"/>
City of Biggs	<input type="checkbox"/>	City of Redding	<input type="checkbox"/>	Port of Oakland	<input type="checkbox"/>
City of Gridley	<input checked="" type="checkbox"/>	City of Roseville	<input checked="" type="checkbox"/>	Truckee Donner PUD	<input type="checkbox"/>
City of Healdsburg	<input checked="" type="checkbox"/>	City of Santa Clara	<input checked="" type="checkbox"/>	Other	<input type="checkbox"/>
<i>If other, please specify</i>					

RECOMMENDATION:

Approve Resolution 24-02 authorizing the Geothermal (Geo) Plant 1, Unit 2 Turbine Overhaul Project and delegating authority to the General Manager or his designee to award bids, execute agreements, and to issue purchase orders for the project in accordance with NCPA purchasing policies and procedures, including approval for the turbine work to be awarded on a sole-source basis, without further approval by the Commission, for a total not to exceed \$7,200,000, and authorizing the use of previously collected Geo Decommissioning Reserve funds to fund the project. These funds are to be replenished by the Project Participants over a three-year period through the normal budgeting process.

BACKGROUND:

In March 2023, Geo Plant 1, Unit 1 was taken offline for routine Stretford maintenance. During the course of inspections, NCPA staff found evidence of damage to the steam strainer. Out of an abundance of caution, NCPA also completed an inspection of the steam strainer in Unit 2. No signs of damage were discovered, and after completing routine maintenance, Unit 2 was returned to service.

In May 2023, NCPA hired Reliable Turbine Services, LLC (RTS) to perform a Steam Path Inspection of Unit 1. The Unit 1 rotor was found to have severe wear on the L-0 or last stage turbine blades. The turbine rotor and diaphragms were pulled and sent offsite for refurbishment. It was determined that the L-0 blades could not be repaired, and new blades would need to be manufactured. Because both units were installed at the same time and had similar operating conditions, NCPA staff was concerned about the condition of the blades in Unit 2. So, NCPA staff prepared to complete a thorough visual inspection at the next available opportunity, and to closely monitor the Unit 2 turbine vibration data until an examination could take place.

In December 2023, during a planned transmission line outage scheduled by Pacific Gas and Electric (PG&E), RTS was able to perform a nondestructive visual inspection on the Unit 2 turbine rotor L-0 blades. The visual inspection revealed significant wear on the L-0 blades. As with Unit 1, RTS recommends that the L-0 blades be replaced. Due to the high probability of a catastrophic failure, RTS does not recommend putting Unit 2 back into service until the blade replacement is complete. NCPA consulted with Siemens Energy USA, Inc. for a second opinion. Siemens agreed with RTS' findings that the blades must be replaced and the unit should remain offline until this work is complete. As with the Unit 1 blades, the Unit 2 blades will need to be reverse-engineered.

Plant 1, Unit 2 was scheduled for a planned outage in March 2024. Delaying work to repair the blades until the original planned outage in March poses a safety concern from the deteriorated state of the blades and will likely result in this outage extending into the critical summer months. Therefore, the recommended course of action is to seek immediate authority to initiate the outage and take advantage of the knowledge, staff, and resources working on Plant 1, Unit 1.

The Scope of Work for the proposed Plant 1, Unit 2 Overhaul includes the following:

- Turbine Overhaul and Generator Testing – The testing is required to ensure the generator maintenance schedule can stay consistent with the turbine maintenance schedule. The turbine overhaul includes identified items such as the L-0 blades and service of Row 4 blades.

- Transportation and Insurance – Required to send the Unit 2 turbine rotor and diaphragms off site for refurbishment.
- Unit 2 GSU Transformer Overhaul – Installation of new bushings, seals, and replacement of transformer oil. This unit currently has several oil leaks that need to be serviced.
- Balance of Plant Work – Maintenance to Plant Pumps, Motors, Cooling Tower equipment, and Stretford System. These systems are critical to the reliability of the plant and require a full plant outage on common systems. NCPA is being proactive on the timing to reduce future unplanned outages.
- Lakeville 230kV Line Repairs – It was identified in the Western line assessment report that the last patch installed was intended to be a temporary measure. A permanent fix is required to ensure reliability of this line and for wildfire mitigation.

Going forward, NCPA’s Geothermal staff will begin implementing a new outage task to inspect and borescope the turbines regularly to monitor the degradation and optimally time the outage schedules. These will be adjusted as needed based on conditions discovered.

FISCAL IMPACT:

The total cost is anticipated not to exceed \$6,500,000. A breakdown of the project costs is shown in the table below.

Description	Cost
Unit 2 Turbine Rotor Overhaul and Generator Reset	\$4,500,000
Unit 2 GSU Transformer Overhaul	\$300,000
Transportation and Insurance	\$100,000
Additional Balance of Plant Work	\$200,000
Incidentals (scaffold, etc)	\$400,000
Lakeville 230KV Line Repairs	\$500,000
Contingency	\$1,200,000
Total	\$7,200,000

Funding for the Unit 2 Overhaul may be accomplished in several ways. Funding options are shown in the table below.

Description	Cost
Geo Decommissioning Reserve	\$7,200,000
Other Options	
Combined Special Geo Reserve	\$1,500,000
Maintenance Reserve	\$3,589,000
Defer or Reduced Project Funding	\$1,500,000
Total	\$6,589,000

Staff is recommending that \$7,200,000 for the Geothermal Plant 1, Unit 2 Overhaul Project be spent from the Geo Decommissioning Reserve and replenished over a three-year period through the normal budget process. Staff will recommend a budget augmentation of \$7,200,000 at the January 18, 2024 regularly scheduled Commission meeting with no additional collections required in Fiscal Year 2024.

The Projected cash balance for the Decommissioning Reserve at June 30, 2024 is approximately \$1.2 million. NCPA will fund the balance of the repair costs by liquidating reserve investments as necessary when the expenditures are invoiced..

The Fiscal Year 2025 budget impact of a three-year payback period of the \$7.2 million into the reserve would be as follows:

2024 Budget	
Decommissioning Reserve Collection	\$1,578,823
Debt Service Collection	\$3,482,198
Total 2024 Decommissioning and Deb Svc	\$5,061,021
2025 Budget	
Decommissioning Reserve Collection	\$2,417,081
Year One Reserve Reimbursement	\$2,400,000
Debt Service Collection	\$ 0
Total 2025 Decommissioning and Deb Svc	\$4,817,081
Net Decrease to 2025 Budget	\$ 243,940

The Combined Special Geo Reserve balance is currently invested with a maturity date of November 7, 2025. The sale of that investment would result in a loss and is not recommended.

SELECTION PROCESS:

RTS is currently conducting work for Unit 1 and with the urgency needed to begin work on Unit 2, both units will be undergoing similar maintenance at the same time. These units are in the same building and use the same crane, access, laydown, and contractor office space. Attempting to complete this work utilizing two separate contractors would result in significant delay of work claims from both and would result in inefficiencies coordinating the balance of project schedules. For this reason, NCPA staff is recommending a sole source award to RTS to complete the work for the Unit 2 turbine.

For other non-turbine work, NCPA is currently preparing to solicit competitive bids from multiple vendors to perform the services required for this project. 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:

These activities are categorically exempt under Class 1, 2, 3, 4, and 11 from the provisions of the California Environmental Quality Act pursuant to Sections 15301 (b), 15302 (c), 15303, 15304 and 15311 of the CEQA Guidelines. A Notice of Exemption was approved by the NCPA Commission on September 27, 2013 for this class of work and was filed in Sonoma County. No environmental review is necessary.

COMMITTEE REVIEW:

The recommendation above was reviewed by the Facilities Committee on January 3, 2024. Due to the lack of a quorum, no formal action was taken, however, the Members present at the

meeting voiced their support for the recommendation, and no other meeting attendees had any objections.

Respectfully submitted,


per RANDY S. HOWARD
General Manager

Attachments:

- Resolution 24-02

RESOLUTION 24-02

**RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY
APPROVING THE GEOTHERMAL PLANT 1, UNIT 2 TURBINE OVERHAUL PROJECT**

(reference Staff Report #101:24)

WHEREAS, the Northern California Power Agency (NCPA) operates and maintains on behalf of the project owners a Geothermal facility near Middletown, CA consisting of two power plants with containment areas, 78 steam production and injection wells; and

WHEREAS, in December 2023, NCPA's Geothermal (Geo) Plant 1, Unit 2 was taken offline for an inspection of the turbine rotor and during the course of inspection by Reliable Turbine Services, LLC (RTS), the L-0 turbine blades were found to be severely worn; and

WHEREAS, RTS has recommended that the L-0 blades be replaced. Due to the high probability of a catastrophic failure, RTS does not recommend putting Unit 2 back into service until the blade replacement is complete; and

WHEREAS, the total cost is anticipated not to exceed \$7,200,000. Staff is recommending that funds of \$7,200,000 for the Geothermal Plant 1, Unit 2 Overhaul Project be redirected from the Geo Decommissioning Reserve and replenished over a three-year period through the normal budget process. Staff will recommend a budget augmentation of \$7,200,000 at the January 18, 2024 regularly scheduled Commission meeting with no additional collections required in Fiscal Year 2024; and

WHEREAS, RTS is currently conducting work for Unit 1 and with the urgency needed to begin work on Unit 2, both units will be undergoing similar maintenance at the same time. Attempting to complete this work utilizing two separate contractors would result in significant delay of work claims from both and would result in inefficiencies coordinating the balance of project schedules. For this reason, NCPA staff is recommending a sole source award to RTS to complete the work for the Unit 2 turbine. For other non-turbine work, NCPA is currently preparing to solicit competitive bids from multiple vendors to perform the services required for this project; and

WHEREAS, on January 3, 2024, the Facilities Committee reviewed the recommendation. Due to the lack of a quorum, no formal action was taken, however, the Members present at the meeting voiced their support for the recommendation, and no other meeting attendees had any objections; and

WHEREAS, these activities are categorically exempt under Class 1, 2, 3, 4, and 11 from the provisions of the California Environmental Quality Act pursuant to Sections 15301 (b), 15302 (c), 15303, 15304 and 15311 of the CEQA Guidelines. A Notice of Exemption was approved by the NCPA Commission on September 27, 2013 for this class of work and was filed in Sonoma County. No environmental review is necessary; and

NOW, THEREFORE BE IT RESOLVED, that the Commission of the Northern California Power Agency authorizes the Geothermal (Geo) Plant 1, Unit 2 Turbine Overhaul Project and delegates authority to the General Manager or his designee to award bids, execute agreements, and to issue purchase orders for the project in accordance with NCPA purchasing policies and procedures, including approval for the turbine work to be awarded on a sole-source basis, without further approval by the Commission, for a total not to exceed \$7,200,000, and authorizing the use of previously collected Geo Decommissioning Reserve funds to fund the project. These funds are to be replenished by the Project Participants over a three-year period through the normal budgeting process.

///

///

PASSED, ADOPTED and APPROVED this ____ day of _____, 2024, by the following vote on roll call:

	<u>Vote</u>	<u>Abstained</u>	<u>Absent</u>
Alameda	_____	_____	_____
San Francisco BART	_____	_____	_____
Biggs	_____	_____	_____
Gridley	_____	_____	_____
Healdsburg	_____	_____	_____
Lodi	_____	_____	_____
Lompoc	_____	_____	_____
Palo Alto	_____	_____	_____
Port of Oakland	_____	_____	_____
Redding	_____	_____	_____
Roseville	_____	_____	_____
Santa Clara	_____	_____	_____
Shasta Lake	_____	_____	_____
Truckee Donner	_____	_____	_____
Ukiah	_____	_____	_____
Plumas-Sierra	_____	_____	_____

 JERRY SERVENTI
 CHAIR

ATTEST: _____
 CARRIE POLLO
 ASSISTANT SECRETARY