A PUBLIC AGENCY
NCPA
NORTHERN CALIFORNIA POWER AGENCY

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Minutes

Date: September 27, 2019

To: NCPA Commission

From: Cary A. Padgett, Assistant Secretary to the Commission

Subject: NCPA Commission Meeting

1. Call Meeting to Order and Introductions

Chair Roger Frith called the meeting to order at 10:20 am at the Resort at Squaw Creek, 400 Squaw Valley Road, Olympic Valley, California. A quorum was present. Introductions were made. Those in attendance are shown on the attached attendance list.

2. Approve Minutes of the August 29, 2019, Regular Commission Meeting

Motion: A motion was made by Mark Chandler and seconded by Teresa O'Neill to approve the Minutes of the August 29, 2019, Regular Commission Meeting. The motion carried by a majority of those members present on a voice vote. *San Francisco BART, Port of Oakland and Truckee Donner were absent.*

PUBLIC FORUM

No comments from the public addressed the Commission.

REPORTS AND COMMITTEE UPDATES

3. General Manager's Business Progress Report and Update

- Brief overview of the Annual Conference Program and thanked NCPA staff for a job well done. Next year's meeting will be held at the Resort at Squaw Creek, and at the Silverado Resort in Napa in 2021.
- NCPA signed the PG&E Natural Gas Service Agreement Modification for the gas rate for transportation.

- Held annual member visit with the City of Lompoc, and also met with Turlock Irrigation District and Modesto Irrigation District.
- Congratulated the City of Roseville for their win for the best themed dressed Member during the Annual Conference banquet dinner.

4. Executive Committee

Committee Chair Frith reported the Committee met once under a special meeting notice since the last Commission meeting. The Committee met in closed session and discussed with labor negotiators the General Manager's Amended Employment Agreement and salary and benefits. The Committee recommended Commission approval of the General Manager's Amended Employment Agreement, which will be on the Commission Agenda at the October 24 meeting.

5. Facilities Committee

Assistant General Manager Tony Zimmer reported the Committee met once since the last Commission meeting. The Committee met and discussed items 13-17 on today's agenda. The Committee did establish a quorum, and recommended Commission approval of all items.

6. Finance Committee

Chairman David Hagele reported the Committee did not meet since the last Commission meeting. He also mentioned that Commissioner Greg Scharff will be the incoming Committee Chair and will provide the report at the next meeting. The next Committee meeting is scheduled on October 8.

7. Legal Committee

General Counsel Jane Luckhardt reported that the Committee met once since the last Commission meeting. The Committee discussed the Clean Fuel Program Governance Agreement and heard general counsel updates. The Committee also heard presentations on the PG&E Bankruptcy case from Special Bankruptcy Counsel Mark Gorton, and Inverse Condemnation and Electric Utilities from Michael Colantuono.

8. Legislative & Regulatory Affairs Committee

Committee Chair Mark Chandler reported the Committee met once since the last Commission meeting. The Committee heard presentations from speakers on the Electric Vehicle Policy and the 2019 Legislative session and looking ahead to 2020. The next Committee meeting is scheduled on December 4, 2019.

9. ***Members' Announcements & Meeting Reporting***

No new Member announcements.

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 from the Consent Calendar.

Motion: A motion was made by Greg Scharff and seconded by Jerry Serventi to approve the Consent Calendar consisting of Items 10, 11, 12, 13, and 14. The motion carried by a majority of those members present on a roll call vote. *San Francisco BART, Port of Oakland and Truckee Donner were absent. No Member abstentions.*

10. ***NCPA's Financials for the Month Ended August 31, 2019*** – approval by all members.

11. ***Treasurer's Report for the Month Ended August 31, 2019*** – accept by all members.

12. ***Sale or Disposal of Surplus Property*** – note and file report by all members for the disposal of the following items from the Hydroelectric facility: Compressor; truck tool boxes; Ford F250 truck bed cap; and a workbench.
Fiscal Impact: This report has no direct fiscal impact to the Agency.

13. ***Resolution 19-67, WorleyParsons Group, Inc. – First Amendment to the Five Year Multi-Task Professional Services Agreement; Applicable to the following projects: All NCPA Facilities, Members, SCPPA and SCPPA Members*** – adopt resolution by all members authorizing the General Manager or his designee to enter into a First Amendment to the Five Year Multi-Task Professional Services Agreement with WorleyParsons Group, Inc., with any non-substantial changes as recommended and approved by the NCPA General Counsel, to change the vendor name in the agreement to Worley Group, Inc., for continued use at all facilities owned and/or operated by the Northern California Power Agency (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 remains not to exceed $1,500,000 over five years, to be used out of NCPA approved annual operating budgets as services are rendered.

14. ***Resolution 19-68, Ardent Companies, LLC – First Amendment to Five Year Multi-Task General Services Agreement for specialty electrical and instrumentation (E&I) services; Applicable to the following projects: All NCPA Facilities (with exception of Lodi Energy Center), NCPA Members, SCPPA, and SCPPA Members*** – adopt resolution by all members authorizing the General Manager or his designee to enter into a First Amendment to the Multi-Task General Services Agreement with Ardent Companies, LLC, with any non-substantial changes recommended and approved by the NCPA General Counsel, increasing the not to exceed amount from $200,000 to $1,200,000, for continued use at any facilities owned and/or operated by the Northern

California Power Agency (NCPA), its Members, Southern California Public Power Authority (SCPPA), or SCPPA Members, with the exception of NCPA's Lodi Energy Center.
Fiscal Impact: Upon execution, the total cost of the agreement is not to exceed $1,200,000 over five years, to be used out of the NCPA approved annual operating budgets as services are rendered.

DISCUSSION / ACTION ITEMS

Assistant General Manager Joel Ledesma provided a verbal overview and background on items 15 – 17 the NCPA Solar Projects. Item 17, NCPA Solar Project 1: Plumas-Sierra Chilcoot Site; Initial Study, Mitigated Negative Declaration, Mitigation Monitoring Program, and Consultation Summary, the Agenda and Staff Report recommendation indicated that staff will file the notice of Determination with the State Clearinghouse and Shasta County. Staff corrected the recommendation in the Staff Report and asked that the minutes reflect that the filing will take place in Plumas County, not Shasta County.

15. ***Resolution 19-69, NCPA Solar Project 1: Healdsburg Water Reclamation Facility Site; Initial Study, Mitigated Negative Declaration, Mitigation Monitoring Program, and Consultation Summary*** – adopt resolution by all members approving the Initial Study, Mitigated Negative Declaration, Mitigation Monitoring Program, and Consultation Summary for the Healdsburg Water Reclamation Facility Site, and directing staff to file a notice of Determination with the State Clearinghouse and Sonoma County.
Fiscal Impact: The recommended actions have no direct budgetary impact at this time. Adopting Resolution 19-69 defines, for CEQA purposes, "NCPA Solar Project 1: Healdsburg Water Reclamation Facility Site" as a project and directs that specific actions be carried out to comply with CEQA. Implementation of the mitigation plan will be the responsibility of the project developer under the direction of NCPA.

   Motion: A motion was made by Mark Chandler and seconded by Jerry Serventi to adopt resolution by all members approving the Initial Study, Mitigated Negative Declaration, Mitigation Monitoring Program, and Consultation Summary for the Healdsburg Water Reclamation Facility Site, and directing staff to file a notice of Determination with the State Clearinghouse and Sonoma County. The motion carried by a majority of those members present on a roll call vote. *San Francisco BART, Port of Oakland and Truckee Donner were absent.*

16. ***Resolution 19-70, NCPA Solar Project 1: Lodi Sites; Initial Study, Mitigated Negative Declaration, Mitigation Monitoring Program, and Consultation*** Summary – adopt resolution by all members approving the Initial Study, Mitigated Negative Declaration, Mitigation Monitoring Program, and Consultation Summary for the Lodi Pixley Basin, Century East/West, and Parking Garage Sites, and directing staff to file a notice of Determination with the State Clearinghouse and San Joaquin County.
Fiscal Impact: The recommended actions have no direct budgetary impact at this time. Adopting Resolution 19-70 defines, for CEQA purposes, "NCPA Solar Project 1: Lodi Sites" as a project and directs that specific actions be carried out to comply with CEQA. Implementation of the mitigation plan will be the responsibility of the project developer under the direction of NCPA.

   Motion: A motion was made by Brad Wilkie and seconded by Mark Chandler to adopt resolution by all members approving the Initial Study, Mitigated Negative Declaration,

Mitigation Monitoring Program, and Consultation Summary for the Lodi Pixley Basin, Century East/West, and Parking Garage Sites, and directing staff to file a notice of Determination with the State Clearinghouse and San Joaquin Count. The motion carried by a majority of those members present on a roll call vote. *San Francisco BART, Port of Oakland and Truckee Donner were absent.*

17. ***Resolution 19-71, NCPA Solar Project 1: Plumas-Sierra Chilcoot Site; Initial Study, Mitigated Negative Declaration, Mitigation Monitoring Program, and Consultation Summary*** – adopt resolution by all members approving the Initial Study, Mitigated Negative Declaration, Mitigation Monitoring Program, and Consultation Summary for the Plumas-Sierra Chilcoot Site, and directing staff to file a notice of Determination with the State Clearinghouse and Plumas County.
Fiscal Impact: The recommended actions have no direct budgetary impact at this time. Adopting Resolution 19-71 defines, for CEQA purposes, "NCPA Solar Project 1: Plumas-Sierra Chilcoot Site" as a project and directs that specific actions be carried out to comply with CEQA. Implementation of the mitigation plan will be the responsibility of the project developer under the direction of NCPA.

    Motion: A motion was made by Pauline Roccucci and seconded by James Takehara to adopt resolution by all members approving the Initial Study, Mitigated Negative Declaration, Mitigation Monitoring Program, and Consultation Summary for the Plumas-Sierra Chilcoot Site, and directing staff to file a notice of Determination with the State Clearinghouse and Plumas County. The motion carried by a majority of those members present on a roll call vote. *San Francisco BART, Port of Oakland and Truckee Donner were absent.*

NEW BUSINESS

Chair Frith thanked everyone for their generous contributions during the last two days of fundraising efforts for the Navajo Tribal Utility Authority (NTUA) "Light Up Navajo II. He would like to continue the fundraising efforts with a goal of funding a crew, or more, to send to the Navajo Nation to work alongside NTUA linemen to bring electricity to families.

In addition, Randy Howard mentioned that NCPA staff will put together a matrix for NCPA Members to take back to their communities of the needs and desires of the NTUA.

ADJOURNMENT

The September 27, 2019, Commission meeting was adjourned at 10:45 am.

Respectfully submitted,

ROGER FRITH
Commission Chair

Prepared by,

CARY A. PADGETT
Assistant Secretary to the Commission

Attachments

Northern California Power Agency
Commission Meeting of September 27, 2019
COMMISSIONER
Attendance List

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

MEMBER	NAME
1 - ALAMEDA	Jerry Servet
2 - BIGGS	Roy L [illegible]
3 - GRIDLEY	[illegible]
4 - HEALDSBURG	[illegible]
5 - LODI	Mark Chandler
6 - LOMPOC	Brad Wilkins
7 - PALO ALTO	[illegible]
8 - PORT OF OAKLAND	
9 - PLUMAS-SIERRA REC	Michael Brozo
10 - REDDING	[illegible]
11 - ROSEVILLE	Pauline Roccucci
12 - SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT	
13 - SANTA CLARA	Teresa O'Neill
14 - SHASTA LAKE	[illegible]
15 - TRUCKEE DONNER	
16 - UKIAH	M J Grandi

Northern California Power Agency
Commission Meeting September 27, 2019
Attendance List

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

NAME	AFFILIATION
Duane Lucchetti	City of Ukiah
Andy Sauers	City of Ukiah
David Hodgkins	Healdsburg
TERRY CROWLEY	HEALDSBURG
Todd White	Roseville
James Takehara	Shasta Lake
Vidhi Chawla	Alameda
Jane Currinione	NCPA
Janice Magdich	Lodi
Dean Batchelor	Palo Alto
BRIAN SCHINTOCK	ROSEVILLE
Basil Wong	Santa Clara
Tony Zimmer	NCPA
Joel Ledesma	NCPA
Monty Hanks	NCPA
Jiwan Singh	Lompoc
PAUL ECKERT	GRIDLEY
Ann Hatcher	Santa Clara
Michael DeBortoli	NCPA
Randy Bowersox	NCPA
Vicki Cichocki	NCPA
Pat Brozo	PSREC
Mike Brozo	PSREC

Northern California Power Agency
Commission Meeting of
Attendance List
September 27, 2019

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

NAME	AFFILIATION
Rebecca Riggs	NCPA
Jane Luckhardt	NCPA
Rosanne Smith	Biggs
Cary Padgett	NCPA

CONSENT CALENDAR

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.

CONSENT CALENDAR ROLL-CALL APPROVAL

Commission Meeting Date: **September 27, 2019**

Consent Items Listed on the Agenda: # 10 to # 14

Consent Items Removed from the Agenda and Approved Separately:

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ROLL-CALL VOTE BY MEMBERS: PA1 allen

Member	Item Numbers Abstained	Vote	Absent
Alameda		Y	
BART			X
Biggs		Y	
Gridley		Y	
Healdsburg		Y	
Lodi		Y	
Lompoc		Y	
Palo Alto		Y	
Port of Oakland			X
Redding		Y	
Roseville		Y	
Santa Clara		Y	
Shasta Lake		Y	
Truckee Donner			X
Ukiah		Y	
Plumas-Sierra		Y	

ATTEST: _____

Cary A. Padgett
Assistant Secretary to the Commission

Northern California Power Agency
ROLL CALL VOTE

Topic: Resolution 19-169

	VOTE	ABSTAIN	ABSENT
Alameda	Y		
BART			X
Biggs	Y		
Gridley	Y		
Healdsburg	Y		
Lodi	Y		
Lompoc	Y		
Palo Alto	Y		
Plumas-Sierra	Y		
Port of Oakland			X
Redding	Y		
Roseville	Y		
Santa Clara	Y		
Shasta Lake	Y		
Truckee Donner			X
Ukiah	Y		

Passed and adopted this 27th day of September 2019, by the above vote on roll call.

ROGER FRITH
Commission Chair

ATTEST:

CARY A. PADGETT
Assistant Secretary

Northern California Power Agency
ROLL CALL VOTE

Topic: Resolution 19-70

	VOTE	ABSTAIN	ABSENT
Alameda	Y		
BART			X
Biggs	Y		
Gridley	Y		
Healdsburg	Y		
Lodi	Y		
Lompoc	Y		
Palo Alto	Y		
Plumas-Sierra	Y		
Port of Oakland			X
Redding	Y		
Roseville	Y		
Santa Clara	Y		
Shasta Lake	Y		
Truckee Donner			X
Ukiah	Y		

Passed and adopted this 27th day of September 2019, by the above vote on roll call.

ROGER FRITH
Commission Chair

ATTEST:

CARY A. PADGETT
Assistant Secretary

Northern California Power Agency
ROLL CALL VOTE

Topic: Resolution 19-71

	VOTE	ABSTAIN	ABSENT
Alameda	Y		
BART			X
Biggs	Y		
Gridley	Y		
Healdsburg	Y		
Lodi	Y		
Lompoc	Y		
Palo Alto	Y		
Plumas-Sierra	Y		
Port of Oakland			X
Redding	Y		
Roseville	Y		
Santa Clara	Y		
Shasta Lake	Y		
Truckee Donner			X
Ukiah	Y		

Passed and adopted this 27th day of September 2019, by the above vote on roll call.

ROGER FRITH
Commission Chair

ATTEST:
CARY A. PADGETT
Assistant Secretary

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Commission Staff Report

October 14, 2019

COMMISSION MEETING DATE: October 24, 2019

SUBJECT: Treasurer's Report for Month Ended September 30, 2019

AGENDA CATEGORY: Consent

FROM:	Sondra Ainsworth	**METHOD OF SELECTION:**
	Treasurer-Controller	N/A
Division:	Administrative Services	
Department:	Accounting & Finance	

IMPACTED MEMBERS:

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

If other, please specify

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 $3,604,508 of which approximately $5,005 was applicable to Special and Reserve Fund Deposits, $3,923 to Debt Service and $3,595,580 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 $300,628,818 at month end. The current market value of the portfolio totaled $302,354,781.

The overall portfolio had a combined weighted average interest rate of 2.265% with a bond equivalent yield (yield to maturity) of 2.296%. Investments with a maturity greater than one year totaled $177,723,000. September maturities totaled $37 million and monthly receipts totaled $40 million. During the month $39 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 decreased 11 basis points (from 1.99% to 1.88%) and rates on one year T-Bills increased 4 basis points (from 1.75% to 1.79%).

To the best of my knowledge and belief, all securities held by NCPA as of September 30, 2019 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:

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

Attachment

SR: 212:19

NORTHERN CALIFORNIA POWER AGENCY

TREASURER'S REPORT

SEPTEMBER 30, 2019

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Northern California Power Agency
Treasurer's Report
Cash & Investment Balance
September 30, 2019

	CASH	INVESTMENTS	TOTAL	PERCENT
NCPA FUNDS				
Operating	$ 2,214,379	$ 121,734,767	$ 123,949,146	40.74%
Special Deposits	1,348,285	-	1,348,285	0.45%
Construction	32,916	5,059,753	5,092,669	1.67%
Debt Service	3,923	21,955,687	21,959,610	7.22%
Special & Reserve	5,005	151,878,611	151,883,616	49.92%
	$ 3,604,508	$ 300,628,818	$ 304,233,326	100.00%

Portfolio Investments at Market Value	$ 302,354,781

NOTE A -Investment amounts shown at book carrying value.

Northern California Power Agency
Treasurer's Report
Cash Activity Summary
September 30, 2019

	RECEIPTS			EXPENDITURES			CASH
	OPS/CONSTR	INTEREST (NOTE B)	INVESTMENTS (NOTE A)	OPS/CONSTR	INVESTMENTS (NOTE B)	INTER-COMPANY/ FUND TRANSFERS	INCREASE / (DECREASE)
NCPA FUNDS							
Operating	$ 39,501,417	$ 168,971	$ 33,724,171	$ (20,755,478)	$ (29,454,262)	$ (23,387,744)	$ (202,925)
Special Deposits	357,402	7	-	(17,515,877)	-	17,066,100	(92,368)
Construction	-	-	-	-	-	-	-
Debt Service	-	503	560	(2,000)	(5,810,168)	5,809,033	(2,072)
Special & Reserve	-	96,773	3,096,404	-	(3,855,788)	512,611	(150,000)
	$ 39,858,819	$ 266,254	$ 36,821,135	$ (38,273,355)	$ (39,120,218)	$ -	$ (447,365)

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
September 30, 2019

	PURCHASED	SOLD OR MATURED	(NON-CASH) DISC/(PREM) AMORT	(NON-CASH) GAIN/(LOSS) ON SALE	INVESTMENTS TRANSFERS	INVESTMENTS INCREASE / (DECREASE)
NCPA FUNDS						
Operating	$ 29,454,262	$ (33,724,171)	$ 13,430	$ -	$ -	$ (4,256,479)
Special Deposits	-	-	-	-	-	-
Construction	-	-	4,273	-	-	4,273
Debt Service	5,810,168	(560)	26,750	-	-	5,836,358
Special & Reserve	3,855,788	(3,096,404)	6,870	-	-	766,254
	$ 39,120,218	$ (36,821,135)	$ 51,323	$ -	$ -	$ 2,350,406

Less Non- Cash Activity	
Disc/(Prem) Amortization & Gain/(Loss) on Sale	(51,323)
Net Change in Investment --Before Non-Cash Activity	$ 2,299,083

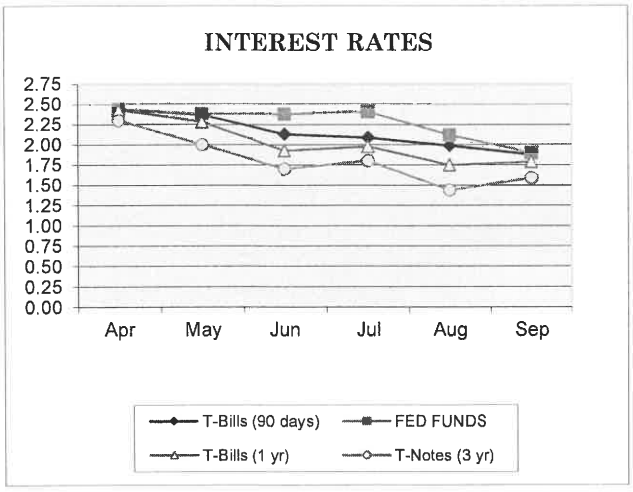
NOTE A -Investment amounts shown at book carrying value.

Northern California Power Agency
Interest Rate/Yield Analysis
September 30, 2019

	WEIGHTED AVERAGE INTEREST RATE	BOND EQUIVALENT YIELD
OVERALL COMBINED	**2.265%**	**2.296%**
OPERATING FUNDS:	**2.254%**	**2.360%**
PROJECTS:		
Geothermal	2.360%	2.468%
Capital Facilities	2.158%	2.154%
Hydroelectric	2.313%	2.393%
Lodi Energy Center	1.785%	1.630%

KEY INTEREST RATES

	CURRENT	PRIOR YEAR
Fed Fds (Overnight)	1.90%	1.92%
T-Bills (90da.)	1.88%	2.20%
Agency Disc (90da.)	1.68%	2.16%
T-Bills (1yr.)	1.79%	2.59%
Agency Disc (1yr.)	1.59%	2.59%
T-Notes (3yr.)	1.59%	2.89%



Northern California Power Agency
Total Portfolio
Investment Maturities Analysis
September 30, 2019

Type	0-7 Days	8-90 Days	91-180 Days	181-270 Days	271-365 Days	1-5 Years	6-10 Years	Total	Percent
US Government Agencies	$ 3,554	$ 11,706	$16,273	$ 5,760	$ 9,684	$ 109,477	$ 2,000	$ 158,454	52.21%
Corporate Bonds (MTN)	-	-	-	1,000	-	64,600	-	65,600	21.62%
US Bank Trust Money Market	441	-	-	-	-	-	-	441	0.15%
Commercial Paper	10,137	-	-	-	-	-	-	10,137	3.35%
Investment Trusts (LAIF)	54,434	-	-	-	-	-	-	54,434	17.94%
Investment Trusts (CAMP)	5,118	-	-	-	-	-	-	5,118	1.70%
U.S.Treasury Market Acct. *	4,751	-	-	-	-	-	-	4,751	1.57%
U.S.Treasury Bill/Note	-	1,316	1,494	-	66	146	-	3,022	1.00%
Certificates of Deposit	10	-	-	-	-	1,500	-	1,510	0.50%
Total Dollars	$ 78,445	$13,022	$17,767	$6,760	$9,750	$175,723	$2,000	$ 303,467	100.00%
Total Percents	25.84%	4.29%	5.85%	2.23%	3.21%	57.91%	0.66%	100.00%	

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

09/30/2019

Operating

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, N.A.	USB	9,055,000	1.850	11/26/2014	9,055,000		1	1.850	9,055,000	SYS70101	70101	9,055,000
Local Agency Investm	LAIF	32,354,683	2.565	07/01/2013	32,354,683		1	2.565	32,354,683	SYS70000	70000	32,354,683
California Asset Mgm	CMP	4,482	2.640	10/19/2018	4,482		1	2.640	4,482	SYS70070	70070	4,482
Union Bank of Califo	UBOC	197	0.002	07/01/2013	197		1	0.002	197	SYS70014	70014	197
US Bank	USB	2,214,379	0.001	06/30/2013	2,214,379		1	0.001	2,214,379	SYS70050	70050	2,214,379
US Bank	USB	1,082,391	0.850	08/24/2017	1,082,391		1	0.850	1,082,391	SYS70056	70056	1,082,391
US Bank	USB	10,000	0.050	07/07/2019	10,000	10/07/2019	6	0.050	10,000	SYS30318	30318	10,000
General Dynamics	UBOC	1,000,000	2.875	09/20/2018	998,980	05/11/2020	223	2.937	1,005,210	369550BA5	26668	999,620
Federal Home Loan Ba	UBOC	4,975,000	1.600	08/28/2017	4,990,373	07/17/2020	290	1.490	4,965,946	3130ABTW6	26466	4,979,232
Walmart, Inc.	UBOC	1,000,000	1.900	09/20/2018	979,580	12/15/2020	441	2.848	1,002,220	931142EA7	26674	988,991
John Deere Capital C	UBOC	500,000	2.350	09/21/2018	492,195	01/08/2021	465	3.057	502,910	24422ETZ2	26676	495,687
Federal Home Loan Ba	UBOC	2,785,000	1.400	07/19/2016	2,783,608	01/19/2021	476	1.411	2,765,199	3130A8P80	26355	2,784,598
Cisco Systems Inc.	UBOC	1,000,000	2.200	09/20/2018	982,020	02/28/2021	516	2.969	1,005,180	17275RBD3	26667	989,617
NATIONAL RURAL UTIL	UBOC	500,000	2.900	07/31/2019	506,370	03/15/2021	531	2.096	506,265	63743HER9	26847	505,716
Home Depot Inc.	UBOC	500,000	2.000	03/21/2018	487,800	04/01/2021	548	2.846	501,160	437076BL5	26558	493,956
Intel Corp	UBOC	1,000,000	1.700	09/20/2018	968,960	05/19/2021	596	2.919	999,300	458140AW0	26670	980,968
Pfizer Inc	UBOC	500,000	1.950	06/12/2018	487,130	06/03/2021	611	2.858	500,620	717081DX8	26617	492,766
Federal Farm Credit	UBOC	2,602,000	1.720	08/28/2017	2,611,784	07/26/2021	664	1.620	2,599,554	3133EHSR5	26465	2,606,551
Federal Home Loan Mt	UBOC	3,500,000	1.500	11/23/2016	3,500,000	08/23/2021	692	1.500	3,480,785	3134GAVH4	26385	3,500,000
American Honda Finan	UBOC	1,000,000	1.700	09/20/2018	959,220	09/09/2021	709	3.149	995,570	02665WBG5	26669	973,373
3M Company	UBOC	1,000,000	3.000	09/21/2018	999,480	09/14/2021	714	3.018	1,018,170	88579YBA8	26675	999,659
Federal Home Loan Mt	UBOC	202,000	2.200	01/30/2017	202,000	01/26/2022	848	2.200	202,067	3134GAV92	26403	202,000
Procter & Gamble	UBOC	1,000,000	2.300	09/20/2018	975,770	02/06/2022	859	3.060	1,014,440	742718DY2	26673	983,163
Johnson & Johnson	UBOC	1,000,000	2.250	09/20/2018	976,140	03/03/2022	884	2.982	1,011,740	478160CD4	26671	983,262
TD Ameritrade	UBOC	500,000	2.950	05/15/2018	493,385	04/01/2022	913	3.315	512,620	87236YAE8	26601	495,735
PepsiCo Inc.	UBOC	500,000	2.250	03/21/2018	487,005	05/02/2022	944	2.924	504,360	713448DT2	26557	491,831
Apple Inc.	UBOC	1,123,337	2.300	02/01/2018	1,121,966	05/11/2022	953	2.329	1,136,637	037833CQ1	26525	1,122,500
Boeing Co.	UBOC	500,000	2.200	06/12/2018	482,180	10/30/2022	1,125	3.074	500,775	097023BN4	26612	487,476
American Honda Finan	UBOC	500,000	2.600	06/12/2018	488,550	11/16/2022	1,142	3.157	507,740	02665WCA7	26614	491,919
Chevron Corp.	UBOC	500,000	2.355	03/21/2018	485,760	12/05/2022	1,161	3.008	506,800	166764AB6	26555	490,383
Visa Inc.	UBOC	400,000	2.800	08/03/2018	394,552	12/14/2022	1,170	3.135	411,276	92826CAC6	26647	396,002
Toyota Motor Credit	UBOC	1,000,000	2.700	08/03/2018	974,760	01/11/2023	1,198	3.315	1,024,320	89236TEL5	26645	981,362
Simon Property Group	UBOC	500,000	2.750	05/15/2018	484,585	02/01/2023	1,219	3.464	510,115	828807CN5	26603	489,093
Oracle Corp.	UBOC	500,000	2.625	03/21/2018	488,010	02/15/2023	1,233	3.154	509,105	68389XBR5	26556	491,748
Exxon Mobil Corporat	UBOC	1,000,000	2.726	08/03/2018	985,450	03/01/2023	1,247	3.068	1,027,420	30231GAR3	26648	989,140
John Deere Capital C	UBOC	500,000	2.800	06/12/2018	489,875	03/06/2023	1,252	3.264	514,205	24422ETG4	26613	492,662
Berkshire Hathaway I	UBOC	500,000	2.750	03/21/2018	492,280	03/15/2023	1,261	3.086	512,565	084670BR8	26554	494,647
United Parcel Servic	UBOC	500,000	2.500	05/15/2018	483,225	04/01/2023	1,278	3.248	506,735	911312BK1	26600	487,963
United Parcel Servic	UBOC	500,000	2.500	09/21/2018	483,120	04/01/2023	1,278	3.308	506,735	911312BK1	26677	486,952
Walmart, Inc.	UBOC	500,000	2.550	07/31/2019	507,870	04/11/2023	1,288	2.104	510,170	931142DH3	26848	507,515

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Treasurer's Report

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Operating

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
Bank of NY Mellon Co	UBOC	500,000	3.500	05/15/2018	501,265	04/28/2023	1,305	3.443	523,790	06406RAG2	26602	500,913
Hershey Company	UBOC	500,000	3.375	06/12/2018	503,125	05/15/2023	1,322	3.236	523,645	427866AZ1	26615	502,298
US Bank	UBOC	1,000,000	3.400	08/03/2018	1,000,000	07/24/2023	1,392	3.399	1,047,890	90331HNV1	26646	1,000,000
Microsoft Corp.	UBOC	1,000,000	2.000	09/20/2018	947,350	08/08/2023	1,407	3.172	1,007,130	594918BQ6	26672	958,461
Oracle Corp.	UBOC	4,145,000	2.400	05/31/2019	4,106,452	09/15/2023	1,445	2.630	4,196,191	68389XBL8	26820	4,109,448
Federal Farm Credit	UBOC	1,500,000	3.340	11/21/2018	1,500,000	10/04/2023	1,464	3.339	1,500,195	3133EJE39	26714	1,500,000
JP Morgan	UBOC	500,000	3.875	02/15/2019	514,550	02/01/2024	1,584	3.561	532,735	46625HJT8	26760	512,709
Bank of America Corp	UBOC	1,700,000	2.500	09/24/2019	1,700,000	09/24/2024	1,820	2.577	1,693,965	06048WD56	26872	1,700,000
Federal Agricultural	UBOC	3,000,000	2.000	09/25/2019	3,000,000	09/25/2024	1,821	2.000	3,000,960	31422BME7	26886	3,000,000
Federal Farm Credit	UBOC	2,300,000	1.890	09/27/2019	2,300,000	09/27/2024	1,823	1.890	2,295,101	3133EKU20	26888	2,300,000
Toyota Motor Credit	UBOC	1,000,000	2.150	09/27/2019	1,000,000	09/27/2024	1,823	2.323	996,460	89236TGH2	26887	1,000,000
	Fund Total and Average	**$ 95,453,469**	2.224		**$ 95,037,857**		**542**	**2.352**	**$ 95,817,108**			**$ 95,161,048**

MPP GHG Auction Acct

Local Agency Investm		99,546	2.565	07/01/2013	99,546		1	2.565	99,546	SYS70045	70045	99,546
	Fund Total and Average	**$ 99,546**	2.566		**$ 99,546**		**1**	**2.566**	**$ 99,546**			**$ 99,546**

SCPA Balancing Account

Local Agency Investm	LAIF	1,506,837	2.565	07/01/2013	1,506,837		1	2.565	1,506,837	SYS70022	70022	1,506,837
Union Bank of Califo	UBOC	0	0.002	07/01/2013	0		1	0.002	0	SYS70023	70023	0
Federal Home Loan Ba	UBOC	750,000	2.875	11/27/2018	750,045	09/11/2020	346	2.870	757,103	313370US5	26717	750,024
Federal National Mtg	UBOC	1,150,000	1.630	12/20/2018	1,128,369	10/30/2020	395	2.672	1,146,355	3135G0RM7	26734	1,137,441
Bank of NY Mellon Co	UBOC	500,000	2.050	04/03/2018	486,105	05/03/2021	580	3.000	500,375	06406FAB9	26570	492,840
Microsoft Corp.	UBOC	500,000	2.375	04/04/2018	492,295	02/12/2022	865	2.798	506,865	594918BA1	26574	495,276
Walt Disney Company/	UBOC	500,000	2.450	07/24/2018	487,520	03/04/2022	885	3.186	507,255	25468PDQ6	26630	491,619
TD Ameritrade	UBOC	500,000	2.950	04/03/2018	497,200	04/01/2022	913	3.100	512,620	87236YAE8	26571	498,248
Home Depot Inc.	UBOC	500,000	2.625	04/04/2018	494,290	06/01/2022	974	2.918	511,140	437076BG6	26572	496,338
Public Storage	UBOC	500,000	2.370	04/04/2018	483,705	09/15/2022	1,080	3.161	504,745	74460DAB5	26573	489,171
Visa Inc.	UBOC	250,000	2.800	07/24/2018	246,975	12/14/2022	1,170	3.096	257,048	92826CAC6	26632	247,793
Intel Corp	UBOC	500,000	2.700	06/22/2018	492,300	12/15/2022	1,171	3.070	513,050	458140AM2	26625	494,491
Toyota Motor Credit	UBOC	550,000	2.625	05/09/2018	536,294	01/10/2023	1,197	3.203	562,403	89233P7F7	26598	540,387
Cisco Systems Inc.	UBOC	500,000	2.600	06/22/2018	487,655	02/28/2023	1,246	3.170	512,015	17275RBE1	26624	491,016
Exxon Mobil Corporat	UBOC	500,000	2.726	05/09/2018	492,670	03/01/2023	1,247	3.055	513,710	30231GAR3	26599	494,795
Berkshire Hathaway I	UBOC	500,000	2.750	05/09/2018	490,280	03/15/2023	1,261	3.185	512,565	084670BR8	26596	493,075
United Parcel Servic	UBOC	500,000	2.500	06/22/2018	484,780	04/01/2023	1,278	3.191	506,735	911312BK1	26627	488,844
Nike Inc	UBOC	500,000	2.250	05/09/2018	480,350	05/01/2023	1,308	3.108	507,490	654106AC7	26597	485,855
Simon Property Group	UBOC	500,000	2.750	07/24/2018	484,725	06/01/2023	1,339	3.438	510,790	828807DD6	26631	488,459
Federal Home Loan Mt	UBOC	2,600,000	2.750	08/17/2018	2,603,900	06/15/2023	1,353	3.467	2,621,762	3134GSMY8	26653	2,602,993
Pfizer Inc	UBOC	500,000	3.000	06/22/2018	496,550	06/15/2023	1,353	3.150	518,315	717081DH3	26626	497,433

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SCPA Balancing Account

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 Home Loan Mt	UBOC	2,500,000	3.050	08/28/2018	2,501,250	08/28/2023	1,427	3.039	2,525,600	3134GSUZ6	26654	2,500,977
Federal Home Loan Ba	UBOC	2,000,000	3.100	12/28/2018	2,000,000	12/28/2023	1,549	3.100	2,028,160	3130AFKR7	26736	2,000,000
Federal Home Loan Mt	UBOC	2,500,000	2.875	02/28/2019	2,500,000	02/28/2024	1,611	2.875	2,508,225	3134GS3G8	26759	2,500,000
Federal Home Loan Mt	UBOC	2,000,000	2.760	04/01/2019	2,000,000	04/01/2024	1,644	2.760	2,007,400	3134GS7J8	26797	2,000,000
Federal Home Loan Mt	UBOC	2,000,000	2.650	04/01/2019	2,000,000	04/01/2024	1,644	2.853	2,006,960	3134GS7H2	26798	2,000,000
Federal Home Loan Mt	UBOC	2,180,000	2.700	04/30/2019	2,180,000	04/30/2024	1,673	2.700	2,188,284	3134GTCQ4	26799	2,180,000
Toyota Motor Credit	UBOC	500,000	2.410	07/25/2019	500,000	07/25/2024	1,759	2.410	498,140	89236TGD1	26831	500,000
Federal Agricultural	UBOC	1,250,000	2.000	09/25/2019	1,250,000	09/25/2024	1,821	2.000	1,250,400	31422BME7	26873	1,250,000
	Fund Total and Average	**$ 28,736,837**	2.669		**$ 28,554,095**		**1289**	**2.930**	**$ 29,002,347**			**$ 28,613,912**

General Operating Reserve

Local Agency Investm	LAIF	13,738,023	2.565	07/01/2013	13,738,023		1	2.565	13,738,023	SYS70000	70002	13,738,023
California Asset Mgm	CMP	5,113,787	2.640	12/14/2018	5,113,787		1	2.640	5,113,787	SYS70071	70071	5,113,787
Union Bank of Califo	UBOC	0	0.002	07/01/2013	0		1	0.002	0	SYS70019	70019	0
US Bank	USB	0	0.000	07/01/2013	0		1	0.000	0	SYS70051	70051	0
Federal National Mtg	UBOC	2,000,000	1.750	08/28/2015	2,026,240	11/26/2019	56	1.430	1,999,580	3135G0ZY2	26246	2,000,945
Federal Farm Credit	UBOC	4,285,000	1.440	07/20/2016	4,280,715	01/19/2021	476	1.463	4,258,862	3133EGMP7	26356	4,283,761
Federal Home Loan Ba	UBOC	9,720,000	1.400	07/19/2016	9,715,140	01/19/2021	476	1.411	9,650,891	3130A8P80	26354	9,718,596
Federal National Mtg	UBOC	5,162,000	1.625	05/25/2016	5,162,000	05/25/2021	602	1.625	5,130,615	3136G3NL5	26332	5,162,000
Federal National Mtg	UBOC	1,300,000	1.500	08/30/2016	1,300,000	05/28/2021	605	1.500	1,293,240	3136G33W3	26368	1,300,000
Federal Farm Credit	UBOC	10,629,000	1.690	06/02/2016	10,629,000	06/02/2021	610	1.690	10,580,107	3133EGDH5	26335	10,629,000
Federal Home Loan Mt	UBOC	467,000	2.200	01/30/2017	467,000	01/26/2022	848	2.200	467,154	3134GAV92	26402	467,000
Microsoft Corp.	UBOC	400,000	2.375	04/26/2018	391,480	02/12/2022	865	2.972	405,492	594918BA1	26578	394,692
TD Ameritrade	UBOC	500,000	2.950	04/26/2018	492,950	04/01/2022	913	3.335	512,620	87236YAE8	26582	495,516
Apple Inc.	UBOC	4,025,452	2.300	02/01/2018	4,020,538	05/11/2022	953	2.329	4,073,113	037833CQ1	26524	4,022,452
Federal Home Loan Ba	UBOC	3,575,000	2.125	08/28/2017	3,634,560	06/10/2022	983	1.760	3,620,295	313379Q69	26467	3,608,515
PepsiCo Inc.	UBOC	500,000	3.100	04/26/2018	500,310	07/17/2022	1,020	3.083	516,145	713448CX4	26580	500,205
Walt Disney Company/	UBOC	500,000	2.350	01/30/2019	489,400	12/01/2022	1,157	2.937	507,190	25468PCW4	26739	491,250
Visa Inc.	UBOC	500,000	2.800	04/26/2018	492,600	12/14/2022	1,170	3.145	514,095	92826CAC6	26584	494,885
US Bank, N.A.	UBOC	750,000	2.850	01/30/2019	741,900	01/23/2023	1,210	3.140	767,190	90331HNL3	26737	743,262
Bank of NY Mellon Co	UBOC	500,000	2.950	04/26/2018	491,790	01/29/2023	1,216	3.325	513,480	06406RAE7	26575	494,258
Oracle Corp.	UBOC	500,000	2.625	04/26/2018	487,350	02/15/2023	1,233	3.195	509,105	68389XBR5	26579	491,118
Praxair Inc	UBOC	500,000	2.700	04/26/2018	488,350	02/21/2023	1,239	3.225	510,900	74005PBF0	26581	491,808
Berkshire Hathaway I	UBOC	500,000	2.750	04/26/2018	488,920	03/15/2023	1,261	3.243	512,565	084670BR8	26576	492,164
United Parcel Servic	UBOC	500,000	2.500	04/26/2018	483,135	04/01/2023	1,278	3.245	506,735	911312BK1	26583	488,028
Chevron Corp.	UBOC	750,000	2.566	01/30/2019	738,750	05/16/2023	1,323	2.939	765,743	166764BK5	26740	740,504
Boeing Co.	UBOC	500,000	1.875	01/30/2019	477,500	06/15/2023	1,353	2.979	495,690	097023BQ7	26741	480,943
Chevron Corp.	UBOC	500,000	3.191	02/07/2019	507,025	06/24/2023	1,362	2.847	521,280	166764AH3	26755	505,983
Walmart, Inc.	UBOC	500,000	3.400	02/07/2019	510,960	06/26/2023	1,364	2.864	526,325	931142EK5	26758	509,336
Pfizer Inc	UBOC	500,000	3.200	01/30/2019	506,250	09/15/2023	1,445	2.908	523,650	717081EN9	26738	505,345
Federal Farm Credit	UBOC	1,000,000	3.340	11/21/2018	1,000,000	10/04/2023	1,464	3.339	1,000,130	3133EJE39	26715	1,000,000

Northern California Power Agency

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General Operating 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
Citibank NA	UBOC	500,000	3.650	02/07/2019	507,490	01/23/2024	1,575	3.319	530,285	17325FAS7	26756	506,509
JP Morgan	UBOC	500,000	3.875	02/07/2019	515,120	02/01/2024	1,584	3.535	532,735	46625HJT8	26757	513,148
HSBC USA INC	UBOC	1,700,000	3.000	02/20/2019	1,700,000	02/20/2024	1,603	3.503	1,695,206	40435UGC2	26754	1,700,000
Federal Home Loan Mt	UBOC	500,000	2.700	04/30/2019	500,000	04/30/2024	1,673	2.700	501,900	3134GTCQ4	26816	500,000
Toyota Motor Credit	UBOC	750,000	2.410	07/25/2019	750,000	07/25/2024	1,759	2.410	747,210	89236TGD1	26841	750,000
Federal Agricultural	UBOC	3,000,000	2.100	08/26/2019	3,000,000	08/26/2024	1,791	2.100	2,977,800	31422BKG4	26871	3,000,000
Fund Total and Average		**$ 76,365,262**	2.136		**$ 76,348,283**		**635**	**2.156**	**$ 76,519,138**			**$ 76,333,033**
GRAND TOTALS:		**$ 200,655,114**	2.254		**$ 200,039,781**		**684**	**2.360**	**$ 201,438,139.**			**$ 200,207,539**

***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 09/30/2019

Investment #26332	FNMA	Callable quarterly	Investment #26797	FHLMC	Callable on 4/01/2020
Investment #26335	FFCB	Callable anytime	Investment #26798	FHLMC	Callable on 4/01/2020
Investment #26354	FHLB	Callable anytime	Investment #26799	FHLMC	Callable on 4/30/2020
Investment #26355	FHLB	Callable anytime	Investment #26816	FHLMC	Callable on 4/30/2020
Investment #26356	FFCB	Callable anytime	Investment #26820	ORCL	Callable on 7/15/2023
Investment #26368	FNMA	Callable quarterly	Investment #26831	TOYOTA	Callable semi-annually starting 7/25/2021
Investment #26385	FHLMC	Callable quarterly	Investment #26841	TOYOTA	Callable semi-annually starting 7/25/2021
Investment #26402	FHLMC	Callable quarterly	Investment# 26848	WMT	Callable on 01/11/2023
Investment #26403	FHLMC	Callable quarterly	Investment# 26871	FAMC	Callable quarterly starting 8/26/2020
Investment #26646	USB	Callable on 6/23/2023	Investment# 26872	BAC	Callable semi-annually starting 09/24/2021
Investment #26653	FHLMC	Callable on 6/15/2020	Investment# 26873	FAMC	Callable semi-annually starting 09/25/2020
Investment #26714	FFCB	Callable on 10/4/2019	Investment# 26886	FAMC	Callable semi-annually starting 09/25/2020
Investment #26715	FFCB	Callable on 10/4/2019	Investment# 26887	TOYOTA	Callable semi-annually starting 09/27/2021
Investment #26736	FHLB	Callable on 12/28/2020	Investment# 26888	FFCB	Callable anytime starting 09/27/2021
Investment #26754	HSBC	Callable on 2/20/2020			

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LEC GHG Auction Acct

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 Investm		74,643	2.565	07/01/2013	74,643		1	2.565	74,643	SYS70046	70046	74,643
	Fund Total and Average	**$ 74,643**	2.566		**$ 74,643**		**1**	**2.566**	**$ 74,643**			**$ 74,643**

LEC Issue#1 2010A DS Fund

US Bank Trust	USB	569	0.600	07/01/2013	569		1	0.600	569	SYS79003	79003	569
Federal Home Loan Ba	USBT	1,120,000	1.940	07/25/2019	1,112,154	12/02/2019	62	1.980	1,116,394	313384PZ6A	26837	1,116,258
Federal Home Loan Ba	USBT	501,000	1.810	08/26/2019	498,531	12/02/2019	62	1.844	499,387	313384PZ6A	26863	499,438
Federal Home Loan Ba	USBT	500,000	1.910	09/25/2019	498,196	12/02/2019	62	1.943	498,390	313384PZ6A	26882	498,355
	Fund Total and Average	**$ 2,121,569**	1.902		**$ 2,109,450**		**62**	**1.939**	**$ 2,114,740**			**$ 2,114,620**

LEC Issue #1 2010B DS Fund

US Bank Trust	USB	220	0.600	07/01/2013	220		1	0.600	220	SYS79004	79004	220
Federal Home Loan Ba	USBT	1,520,000	1.939	07/25/2019	1,509,352	12/02/2019	62	1.980	1,515,106	313384PZ6A	26838	1,514,922
Federal Home Loan Ba	USBT	727,000	1.810	08/26/2019	723,418	12/02/2019	62	1.844	724,659	313384PZ6A	26864	724,734
Federal Home Loan Ba	USBT	726,000	1.910	09/25/2019	723,381	12/02/2019	62	1.943	723,662	313384PZ6A	26883	723,612
	Fund Total and Average	**$ 2,973,220**	1.901		**$ 2,956,371**		**62**	**1.938**	**$ 2,963,647**			**$ 2,963,488**

LEC Issue #2 2010A DS Fund

US Bank Trust	USB	435,340	0.600	07/01/2013	435,340		1	0.600	435,340	SYS79011	79011	435,340
	Fund Total and Average	**$ 435,340**	0.600		**$ 435,340**		**1**	**0.600**	**$ 435,340**			**$ 435,340**

LEC Issue #2 2010B DS Fund

US Bank Trust	USB	649	0.600	07/01/2013	649		1	0.600	649	SYS79012	79012	649
Federal Home Loan Ba	USBT	1,181,000	1.940	07/25/2019	1,172,726	12/02/2019	62	1.980	1,177,197	313384PZ6A	26839	1,177,054
Federal Home Loan Ba	USBT	786,000	1.810	08/26/2019	782,127	12/02/2019	62	1.844	783,469	313384PZ6A	26865	783,550
Federal Home Loan Ba	USBT	784,000	1.910	09/25/2019	781,172	12/02/2019	62	1.943	781,476	313384PZ6A	26884	781,421
	Fund Total and Average	**$ 2,751,649**	1.894		**$ 2,736,674**		**62**	**1.931**	**$ 2,742,791**			**$ 2,742,674**

LEC Issue#1 2017A DS Fund

Federal Home Loan Ba	USBT	303,000	1.939	07/25/2019	300,877	12/02/2019	62	1.980	302,024	313384PZ6A	26840	301,988
Federal Home Loan Ba	USBT	170,000	1.810	08/26/2019	169,162	12/02/2019	62	1.844	169,453	313384PZ6A	26866	169,470
Federal Home Loan Ba	USBT	169,000	1.909	09/25/2019	168,390	12/02/2019	62	1.943	168,456	313384PZ6A	26885	168,444

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LEC Issue#1 2017A DS 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
	Fund Total and Average	**$ 642,000**	1.898		**$ 638,429**		**62**	**1.935**	**$ 639,933**			**$ 639,902**

LEC Issue #1 2010 DSR Fund

US Bank Trust	USB	1,520	0.600	07/01/2013	1,520		1	0.600	1,520	SYS79005	79005	1,520
U.S. Treasury	USB	333,000	2.000	07/25/2019	329,633	01/23/2020	114	2.048	331,109	912796TC3	26844	330,891
Federal Farm Credit	USB	4,360,000	1.660	06/08/2016	4,360,000	05/25/2021	602	1.659	4,336,543	3133EGBZ7	26337	4,360,000
Federal Home Loan Mt	USB	150,000	1.125	07/28/2017	146,648	08/12/2021	681	1.699	148,449	3137EAEC9	26454	148,453
Federal Home Loan Ba	USB	4,100,000	2.125	08/28/2017	4,168,306	06/10/2022	983	1.760	4,151,947	313379Q69	26463	4,138,437
	Fund Total and Average	**$ 8,944,520**	1.878		**$ 9,006,107**		**761**	**1.721**	**$ 8,969,568**			**$ 8,979,301**

LEC Iss#1 2010B BABS Subs Resv

US Bank Trust	USB	991	0.600	07/01/2013	991		1	0.600	991	SYS79006	79006	991
Federal Home Loan Ba	USB	2,145,000	3.375	07/28/2017	2,255,146	06/12/2020	255	1.540	2,167,265	313370E38	26455	2,171,738
Federal Home Loan Ba	UBOC	150,000	1.920	07/25/2019	147,080	07/24/2020	297	1.980	147,810	313384ZU6	26845	147,624
	Fund Total and Average	**$ 2,295,991**	3.281		**$ 2,403,217**		**258**	**1.568**	**$ 2,316,066**			**$ 2,320,353**

LEC Issue #2 2010B DSR BABS

US Bank Trust	USB	1,595	0.600	07/01/2013	1,595		1	0.600	1,595	SYS79013	79013	1,595
U.S. Treasury	USB	1,129,000	1.999	07/25/2019	1,117,585	01/23/2020	114	2.048	1,122,587	912796TC3	26846	1,121,850
	Fund Total and Average	**$ 1,130,595**	1.998		**$ 1,119,180**		**114**	**2.046**	**$ 1,124,182**			**$ 1,123,445**

LEC O & M Reserve

Local Agency Investm		1,670,393	2.565	07/01/2013	1,670,393		1	2.565	1,670,393	SYS70047	70047	1,670,393
Union Bank of Califo	UBOC	2,535,057	0.002	07/18/2013	2,535,057		1	0.002	2,535,057	SYS70041	70041	2,535,057
Federal Home Loan Ba	UBOC	3,615,000	1.540	06/30/2017	3,613,952	06/05/2020	248	1.550	3,607,806	3130ABJQ0	26440	3,614,758
Federal National Mtg	UBOC	3,000,000	1.300	06/30/2016	3,000,000	06/30/2020	273	1.300	2,985,030	3136G3UJ2	26341	3,000,000
US Bank, N.A.	UBOC	595,000	2.650	05/31/2019	598,290	05/23/2022	965	2.456	605,002	90331HPC1	26822	597,922
	Fund Total and Average	**$ 11,415,450**	1.344		**$ 11,417,692**		**201**	**1.337**	**$ 11,403,288**			**$ 11,418,130**

GRAND TOTALS:	**$ 32,784,977**	1.785	**$ 32,897,103**	**316**	**1.630**	**$ 32,784,198.**		**$ 32,811,896**

***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 09/30/2019

Investment #26337	FFCB	Callable anytime
Investment #26822	USB	Callable on and anytime after 4/22/2022

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GEO 2012 Construction 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 Home Loan Ba	USB	200,000	1.939	08/26/2019	199,278	11/01/2019	31	1.974	199,676	313384NS4A	26856	199,666
Federal Home Loan Ba	USB	709,000	1.940	07/30/2019	695,131	07/27/2020	300	1.996	698,542	313384ZX0	26850	697,538
	Fund Total and Average	**$ 909,000**	1.940		**$ 894,409**		**240**	**1.991**	**$ 898,218**			**$ 897,204**

Geo 2012A Debt Service

Federal Home Loan Ba	USBT	125,000	1.904	09/25/2019	124,345	01/02/2020	93	1.941	124,403	313384RG6A	26876	124,385
Federal Home Loan Mt	USBT	127,000	1.960	07/25/2019	125,887	01/02/2020	93	2.004	126,393	313396RG0	26832	126,357
Federal Home Loan Mt	USBT	124,000	1.760	08/26/2019	123,218	01/02/2020	93	1.795	123,407	313396RG0	26857	123,436
	Fund Total and Average	**$ 376,000**	1.876		**$ 373,450**		**93**	**1.915**	**$ 374,203**			**$ 374,178**

Geo 2016A Debt Service

Federal Home Loan Ba	USBT	290,000	1.905	09/25/2019	288,481	01/02/2020	93	1.941	288,614	313384RG6A	26877	288,573
Federal Home Loan Mt	USBT	293,000	1.960	07/25/2019	290,432	01/02/2020	93	2.004	291,599	313396RG0	26833	291,516
Federal Home Loan Mt	USBT	291,000	1.760	08/26/2019	289,165	01/02/2020	93	1.795	289,609	313396RG0	26858	289,677
	Fund Total and Average	**$ 874,000**	1.875		**$ 868,078**		**93**	**1.914**	**$ 869,822**			**$ 869,766**

Geothermal Special Reserve

Union Bank of Califo	UBOC	0	0.002	07/01/2013	0		1	0.002	0	SYS70015	70015	0
Federal Home Loan Ba	UBOC	1,500,000	2.100	07/30/2019	1,500,000	04/29/2021	576	2.100	1,500,150	3130AGT54	26853	1,500,000
	Fund Total and Average	**$ 1,500,000**	2.100		**$ 1,500,000**		**576**	**2.101**	**$ 1,500,150**			**$ 1,500,000**

Geo Decommissioning Reserve

Local Agency Investm	LAIF	74,885	2.565	07/01/2013	74,885		1	2.565	74,885	SYS70027	70027	74,885
Union Bank of Califo	UBOC	1,348	0.002	07/01/2013	1,348		1	0.002	1,348	SYS70034	70034	1,348
American Honda Finan	UBOC	500,000	2.650	11/30/2018	493,500	02/12/2021	500	3.265	504,865	02665WCD1	26726	495,970
Toyota Motor Credit	UBOC	500,000	2.950	11/30/2018	496,300	04/13/2021	560	3.276	508,055	89236TEU5	26727	497,606
Federal National Mtg	UBOC	2,000,000	1.500	08/30/2016	2,000,000	05/28/2021	605	1.500	1,989,600	3136G33W3	26369	2,000,000
Ally Bank	UBOC	250,000	3.000	08/30/2018	250,000	08/30/2021	699	3.002	255,648	02007GEQ2A	30312	250,000
PNC Bank NA	UBOC	750,000	2.550	03/15/2018	735,450	12/09/2021	800	3.103	757,350	69353REY0	26553	741,469
Federal Home Loan Mt	UBOC	941,000	2.200	01/30/2017	941,000	01/26/2022	848	2.200	941,311	3134GAV92	26404	941,000
Apple Inc.	UBOC	861,211	2.300	11/29/2017	860,117	05/11/2022	953	2.329	871,408	037833CQ1	26499	860,569
Wells Fargo Bank	UBOC	250,000	3.150	08/30/2018	250,000	08/30/2022	1,064	3.154	259,513	949763TL0A	30311	250,000
Great North Bank	UBOC	250,000	3.050	08/31/2018	250,000	08/31/2022	1,065	3.051	258,803	39103QAF3A	30310	250,000
Discover Bank	UBOC	250,000	3.150	09/06/2018	250,000	09/06/2022	1,071	3.152	259,535	254673TM8A	30313	250,000

NCPA

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Geo Decommissioning 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
Walt Disney Company/	UBOC	750,000	2.350	03/15/2018	728,580	12/01/2022	1,157	3.004	760,785	25468PCW4	26551	735,602
John Deere Capital C	UBOC	750,000	2.800	03/15/2018	739,748	01/27/2023	1,214	3.104	771,623	24422ERT8	26550	743,001
Bank of NY Mellon Co	UBOC	750,000	2.950	03/15/2018	740,610	01/29/2023	1,216	3.229	770,220	06406RAE7	26549	743,587
IBM Credit LLC	UBOC	500,000	3.000	03/15/2018	496,820	02/06/2023	1,224	3.140	514,345	44932HAH6	26548	497,824
Enerbank USA	UBOC	250,000	3.200	08/30/2018	250,000	08/30/2023	1,429	3.203	262,783	29278TCP3A	30309	250,000
Citibank NA	UBOC	250,000	3.300	09/07/2018	250,000	09/07/2023	1,437	3.301	263,740	17312QS34A	30314	250,000
Federal Farm Credit	UBOC	1,000,000	3.340	11/21/2018	1,000,000	10/04/2023	1,464	3.339	1,000,130	3133EJE39	26716	1,000,000
Federal Home Loan Mt	UBOC	1,000,000	2.760	04/01/2019	1,000,000	04/01/2024	1,644	2.760	1,003,700	3134GS7J8	26817	1,000,000
Federal Home Loan Mt	UBOC	2,000,000	2.650	04/01/2019	2,000,000	04/01/2024	1,644	2.853	2,006,960	3134GS7H2	26818	2,000,000
Federal Home Loan Mt	UBOC	1,960,000	2.700	04/30/2019	1,960,000	04/30/2024	1,673	2.700	1,967,448	3134GTCQ4	26819	1,960,000
Toyota Motor Credit	UBOC	500,000	2.410	07/25/2019	500,000	07/25/2024	1,759	2.410	498,140	89236TGD1	26842	500,000
Federal Home Loan Mt	UBOC	1,604,000	2.450	08/01/2019	1,604,000	08/01/2024	1,766	2.450	1,604,128	3134GTP31	26855	1,604,000
Federal Agricultural	UBOC	750,000	2.000	09/25/2019	750,000	09/25/2024	1,821	2.000	750,240	31422BME7	26874	750,000
Federal Farm Credit	UBOC	2,000,000	3.450	07/27/2018	1,999,300	07/23/2025	2,122	3.455	2,051,120	3133EJUT4	26644	1,999,418
	Fund Total and Average	**$ 20,692,444**	2.632		**$ 20,621,658**		**1351**	**2.744**	**$ 20,907,683**			**$ 20,646,279**

GEO Debt Service Reserve Acct

Federal Home Loan Mt	USBT	2,515,000	1.250	02/27/2015	2,483,839	10/02/2019	1	1.530	2,514,925	3137EADM8	26197	2,514,981
Federal Home Loan Ba	USB	1,039,000	2.090	07/25/2019	1,034,838	10/02/2019	1	2.127	1,038,948	313384ML0A	26843	1,038,940
	Fund Total and Average	**$ 3,554,000**	1.496		**$ 3,518,677**		**1**	**1.705**	**$ 3,553,873**			**$ 3,553,921**

Geo 2012A DSR Account

U.S. Treasury	USB	12,000	2.394	10/17/2018	11,714	10/10/2019	9	2.472	11,995	912796RF8	26693	11,993
U.S. Treasury	USB	66,000	1.551	08/26/2019	64,996	08/13/2020	317	1.590	64,998	912796TD1	26867	65,099
Federal National Mtg	USBT	1,517,000	1.625	05/25/2016	1,517,000	05/25/2021	602	1.625	1,507,777	3136G3NL5	26333	1,517,000
	Fund Total and Average	**$ 1,595,000**	1.628		**$ 1,593,710**		**586**	**1.630**	**$ 1,584,770**			**$ 1,594,092**
	GRAND TOTALS:	**$ 29,500,444**	2.360		**$ 29,369,982**		**1020**	**2.468**	**$ 29,688,719.**			**$ 29,435,440**

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Investment #26333	FNMA	Callable quarterly
Investment #26369	FNMA	Callable quarterly
Investment #26404	FHLMC	Callable quarterly
Investment #26644	FFCB	Callable anytime starting 7/23/2021
Investment #26716	FFCB	Callable on 10/4/2019
Investment #26817	FHLMC	Callable on 4/01/2020
Investment #26818	FHLMC	Callable on 4/01/2020
Investment #26819	FHLMC	Callable on 4/30/2020
Investment #26842	TOYOTA	Callable semi-annually starting 7/25/2021
Investment #26853	FHLB	Callable quarterly starting 01/29/2020
Investment #26855	FHLMC	Callable quarterly starting 11/01/2019
Investment #26874	FAMC	Callable semi-annually starting 09/25/2020

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Cap Facilities Debt Service

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 Home Loan Ba	USBT	485,000	1.890	09/25/2019	483,982	11/04/2019	34	1.920	484,137	313384NV7A	26881	484,134
Federal Home Loan Ba	USBT	534,000	1.929	08/26/2019	531,681	11/15/2019	45	1.965	532,745	313384PG8A	26862	532,712
	Fund Total and Average	**$ 1,019,000**	1.911		**$ 1,015,663**		**40**	**1.944**	**$ 1,016,882**			**$ 1,016,846**

Cap. Fac. Debt Svc Reserve

U.S. Treasury	USB	36,000	2.397	10/17/2018	35,142	10/10/2019	9	2.475	35,984	912796RF8	26697	35,978
U.S. Treasury	USB	72,000	1.795	08/26/2019	71,713	11/14/2019	44	1.827	71,843	912796SS9	26869	71,842
Federal National Mtg	USB	71,000	1.530	07/28/2016	71,000	07/28/2021	666	1.530	70,785	3136G3S97	26358	71,000
Federal Home Loan Mt	USB	1,443,000	2.375	02/13/2012	1,447,430	01/13/2022	835	2.340	1,465,222	3137EADB2	25845	1,444,020
	Fund Total and Average	**$ 1,622,000**	2.313		**$ 1,625,285**		**774**	**2.285**	**$ 1,643,834**			**$ 1,622,840**
	GRAND TOTALS:	**$ 2,641,000**	2.158		**$ 2,640,948**		**491**	**2.154**	**$ 2,660,716.**			**$ 2,639,686**

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Investment #26358 FNMA Callable quarterly

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Capital Dev. Reserve Hydro

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 Investm	LAIF	4,915,231	2.565	07/01/2013	4,915,231		1	2.565	4,915,231	SYS70028	70028	4,915,231
Union Bank of Califo	UBOC	0	0.002	07/01/2013	0		1	0.002	0	SYS70031	70031	0
U.S. Treasury	UBOC	1,196,000	2.000	07/31/2019	1,189,887	10/31/2019	30	2.038	1,194,242	912796SQ3	26849	1,194,007
Branch Banking & Tru	UBOC	500,000	2.625	06/13/2018	488,420	01/15/2022	837	3.314	506,220	07330NAQ8	26618	492,615
Exxon Mobil Corporat	UBOC	500,000	2.397	06/13/2018	490,350	03/06/2022	887	2.946	507,625	30231GAJ1	26621	493,713
US Bank	UBOC	550,000	3.000	08/10/2018	546,607	03/15/2022	896	3.182	563,195	91159HHC7	26651	547,684
Public Storage	UBOC	500,000	2.370	03/14/2018	485,770	09/15/2022	1,080	3.051	504,745	74460DAB5	26546	490,660
Visa Inc.	UBOC	500,000	2.800	03/14/2018	494,470	12/14/2022	1,170	3.051	514,095	92826CAC6	26547	496,271
Toyota Motor Credit	UBOC	500,000	2.700	06/13/2018	489,100	01/11/2023	1,198	3.215	512,160	89236TEL5	26619	492,195
Oracle Corp.	UBOC	500,000	2.625	03/14/2018	488,715	02/15/2023	1,233	3.121	509,105	68389XBR5	26545	492,264
Boeing Co.	UBOC	500,000	2.800	03/14/2018	496,070	03/01/2023	1,247	2.971	511,125	097023BW4	26544	497,295
United Parcel Servic	UBOC	500,000	2.500	06/13/2018	484,900	04/01/2023	1,278	3.182	506,735	911312BK1	26620	488,990
Colgate-Palmolive Co	UBOC	550,000	2.100	08/09/2018	528,660	05/01/2023	1,308	2.985	552,739	19416QEC0	26652	533,826
Federal Home Loan Ba	UBOC	1,500,000	3.250	10/19/2018	1,500,000	10/19/2023	1,479	3.250	1,521,315	3130AEYR5	26701	1,500,000
Federal Farm Credit	UBOC	1,513,000	2.190	08/23/2019	1,513,000	11/15/2023	1,506	2.190	1,503,498	3133EKZQ2	26870	1,513,000
Federal Home Loan Ba	UBOC	2,000,000	3.100	01/29/2019	2,000,000	01/29/2024	1,581	3.100	2,006,020	3130AFRR0	26742	2,000,000
	Fund Total and Average	**$ 16,224,231**	2.627		**$ 16,111,180**		**823**	**2.788**	**$ 16,328,050**			**$ 16,147,751**

Hydro Initial Facilities

Federal Home Loan Mt	USB	1,707,000	2.000	07/30/2019	1,692,396	12/31/2019	91	2.045	1,698,926	313396RE5	26851	1,698,370
Federal Farm Credit	USB	2,464,000	2.540	02/12/2019	2,464,493	02/12/2020	134	2.519	2,470,406	3133EKAF3	26761	2,464,179
	Fund Total and Average	**$ 4,171,000**	2.320		**$ 4,156,889**		**116**	**2.326**	**$ 4,169,332**			**$ 4,162,549**

Hydro Debt Service

Federal Home Loan Mt	USBT	547,000	2.000	07/30/2019	542,320	12/31/2019	91	2.045	544,413	313396RE5	26852	544,235
Federal Home Loan Ba	USBT	796,000	1.904	09/25/2019	791,830	01/02/2020	93	1.941	792,195	313384RG6A	26878	792,083
Federal Home Loan Mt	USBT	2,821,000	1.960	07/25/2019	2,796,272	01/02/2020	93	2.004	2,807,516	313396RG0	26834	2,806,716
Federal Home Loan Mt	USBT	796,000	1.760	08/26/2019	790,980	01/02/2020	93	1.795	792,195	313396RG0	26859	792,381
	Fund Total and Average	**$ 4,960,000**	1.923		**$ 4,921,402**		**93**	**1.966**	**$ 4,936,319**			**$ 4,935,415**

Hydro 2018A Debt Service

Federal Home Loan Ba	USBT	1,150,000	1.904	09/25/2019	1,143,975	01/02/2020	93	1.941	1,144,503	313384RG6A	26879	1,144,341
Federal Home Loan Mt	USBT	1,156,000	1.960	07/25/2019	1,145,867	01/02/2020	93	2.004	1,150,474	313396RG0	26835	1,150,147
Federal Home Loan Mt	USBT	1,151,000	1.759	08/26/2019	1,143,741	01/02/2020	93	1.795	1,145,498	313396RG0	26860	1,145,767
	Fund Total and Average	**$ 3,457,000**	1.875		**$ 3,433,583**		**93**	**1.914**	**$ 3,440,475**			**$ 3,440,255**

NCPA

Northern California Power Agency
Treasurer's Report
09/30/2019

Hydro 2019A Debt Service

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
Hydro 2019A Debt Service												
Federal Home Loan Ba	USBT	810,000	1.905	09/25/2019	805,757	01/02/2020	93	1.941	806,128	313384RG6A	26880	806,014
Federal Home Loan Mt	USBT	814,000	1.959	07/25/2019	806,865	01/02/2020	93	2.004	810,109	313396RG0	26836	809,878
Federal Home Loan Mt	USBT	811,000	1.760	08/26/2019	805,885	01/02/2020	93	1.795	807,123	313396RG0	26861	807,313
	Fund Total and Average	**$ 2,435,000**	1.875		**$ 2,418,507**		**93**	**1.914**	**$ 2,423,360**			**$ 2,423,205**
Hydro 2012A Rebate Account												
U.S. Treasury	USB	32,000	1.690	08/26/2019	31,733	02/20/2020	142	1.727	31,774	912796TG4	26868	31,787
Federal Home Loan Mt	USB	689,000	1.875	04/28/2017	691,391	08/09/2021	678	1.790	689,034	3134G93A3	26432	690,036
	Fund Total and Average	**$ 721,000**	1.867		**$ 723,124**		**654**	**1.787**	**$ 720,808**			**$ 721,823**
Hydro Special Reserve												
Local Agency Investm	LAIF	0	0.377	07/01/2013	0		1	0.377	0	SYS70000	70003	0
Union Bank of Califo	UBOC	0	0.002	07/01/2013	0		1	0.002	0	SYS70016	70016	0
Federal Home Loan Ba	UBOC	1,500,000	2.100	07/30/2019	1,500,000	04/29/2021	576	2.100	1,500,150	3130AGT54	26854	1,500,000
	Fund Total and Average	**$ 1,500,000**	2.100		**$ 1,500,000**		**576**	**2.101**	**$ 1,500,150**			**$ 1,500,000**
Hydro 2012 Cost of Issuance												
US Bank	USB	0	0.040	07/01/2013	0		1	0.040	0	SYS79061	79061	0
	Fund Total and Average	**$ 0**	*** ***		**$ 0**		****	**** ***	**$ 0**			**$ 0**
Hydro 2012 DSRA												
Federal Farm Credit	USB	100,000	1.750	08/28/2015	100,329	08/04/2020	308	1.680	99,950	3133EE5Z9	26244	100,056
U.S. Treasury	USB	146,000	2.250	02/27/2018	145,992	02/15/2021	503	2.251	146,952	9128283X6	26539	145,997
Federal National Mtg	USB	94,000	1.530	07/28/2016	94,000	07/28/2021	666	1.530	93,715	3136G3S97	26359	94,000
Federal Home Loan Mt	USB	3,928,000	2.375	02/09/2012	3,926,232	01/13/2022	835	2.380	3,988,491	3137EADB2	25852	3,927,593
Federal Farm Credit	USB	150,000	1.850	09/03/2019	150,000	03/03/2022	884	1.850	149,793	3133EKH66	26875	150,000
	Fund Total and Average	**$ 4,418,000**	2.321		**$ 4,416,553**		**810**	**2.324**	**$ 4,478,901**			**$ 4,417,646**

GRAND TOTALS:	**$ 37,886,231**	2.313	**$ 37,681,238**	**522**	**2.393**	**$ 37,997,395.**		**$ 37,748,644**

***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 09/30/2019

Investment #26359	FNMA	Callable quarterly
Investment #26701	FHLB	Callable until 10/19/2020
Investment #26742	FHLB	Callable quarterly
Investment #26854	FHLB	Callable quarterly starting 01/29/2020
Investment #26870	FFCB	Callable on and anytime after 11/15/2019
Investment #26875	FFCB	Callable on and anytime after 09/03/2020

11

A PUBLIC AGENCY
NCPA
NORTHERN CALIFORNIA POWER AGENCY

Commission Staff Report

October 14, 2019

COMMISSION MEETING DATE: October 24, 2019

SUBJECT: September 30, 2019 Financial Report (Unaudited)

AGENDA CATEGORY: Consent

FROM:	Sondra Ainsworth	**METHOD OF SELECTION:**
	Treasurer-Controller	N/A
Division:	Administrative Services	
Department:	Accounting & Finance	

IMPACTED MEMBERS:

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

If other, please specify

_____

_____

RECOMMENDATION:

Approval by all members

NOTICE:

The disbursements of the Northern California Power Agency for the month reported herein, will be approved at the October 24, 2019 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 September 2019 financial reports are also included.

FISCAL IMPACT:

This report has no direct budget impact to the Agency.

ENVIRONMENTAL ANALYSIS:

The financial report 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.

Respectfully submitted,

RANDY S. HOWARD
General Manager

Attachments: (1)

SR: 211:19

NORTHERN CALIFORNIA POWER AGENCY
and ASSOCIATED POWER CORPORATIONS

Schedule of Disbursements
(Unaudited)

For the Month of September 2019

Operations:		
Geothermal	$	3,144,266
Hydroelectric		3,068,383
CT#1 Combustion Turbines		108,968
CT#2 STIG		681,875
Lodi Energy Center		4,433,715
NCPA Operating		32,450,202
Total	$	43,887,409

NORTHERN CALIFORNIA POWER AGENCY
REPORT OF BUDGET VS. ACTUAL COST
FOR THE PERIOD ENDED SEPTEMBER 30, 2019

PERCENT OF YEAR ELAPSED
25%

	This Month	Actual Year To-Date	FY 2020 Budget	% Used	
GENERATION RESOURCES					
NCPA Plants					
Hydroelectric					
Other Plant Cost	$ 1,682,420	$ 4,716,180	$ 20,767,239	23%	
Debt Service (Net)	2,775,572	8,326,715	33,306,862	25%	
Annual Budget Cost	4,457,992	13,042,895	54,074,101	24%	
Geothermal					
Other Plant Cost	2,432,925	7,440,430	30,365,288	25%	
Debt Service (Net)	412,144	1,236,431	4,945,723	25%	
Annual Budget Cost	2,845,069	8,676,861	35,311,011	25%	
Combustion Turbine No. 1	531,830	1,300,262	6,169,530	21%	
Combustion Turbine No. 2 (Stig)					
Fuel and Pipeline Transport Charges	149,317	255,594	1,089,118	23%	
Other Plant Cost	238,161	617,688	2,552,870	24%	
Debt Service (Net)	483,035	1,449,105	5,796,421	25%	
Annual Budget Cost	870,513	2,322,387	9,438,409	25%	
Lodi Energy Center					
Fuel	1,885,028	6,176,354	39,513,147	16%	
Other Plant Cost	1,266,796	4,067,668	27,392,586	15%	
Debt Service (Net)	2,171,202	6,513,607	26,054,428	25%	
Annual Budget Cost	5,323,026	16,757,629	92,960,161	18%	
Member Resources - Energy	6,060,956	19,187,410	56,228,967	34%	(a)
Member Resources - Natural Gas	382,008	1,127,861	3,540,898	32%	(b)
Western Resources	2,149,308	7,827,444	23,325,119	34%	(c)
Market Power Purchases	2,045,370	6,373,153	15,123,482	42%	(d)
Load Aggregation Costs - CAISO	52,205,537	126,564,415	256,029,593	49%	(e)
Net GHG Obligations	-	1,023,400	496,955	206%	(f)
	76,871,609	**204,203,717**	**552,698,226**	**37%**	
TRANSMISSION					
Independent System Operator					
Grid Management Charge	611,441	1,885,836	2,813,086	67%	(g)
Wheeling Access Charge	11,510,244	35,176,341	110,581,940	32%	(h)
Ancillary Services	1,318,056	3,112,378	2,372,540	131%	(i)
Other ISO Charges/(Credits)	5,037,768	13,130,195	1,321,289	994%	(j)
	18,477,509	**53,304,750**	**117,088,855**	46%	
MANAGEMENT SERVICES					
Legislative & Regulatory					
Legislative Representation	162,195	471,494	2,132,130	22%	
Regulatory Representation	35,979	137,418	748,387	18%	
Western Representation	39,269	144,065	745,117	19%	
Customer Programs	13,432	48,301	423,678	11%	
Judicial Action	57,873	76,354	625,000	12%	
Power Management					
System Control & Load Dispatch	462,517	1,602,774	6,082,417	26%	
Forecasting, Planning, Prescheduling & Trading	192,740	641,186	2,934,143	22%	
Industry Restructuring & Regulatory Affairs	26,406	86,152	414,479	21%	
Contract Admin, Interconnection Svcs & External Affairs	71,074	251,191	953,716	26%	
Gas Purchase Program	5,003	17,355	77,386	22%	
Market Purchase Project	6,450	23,365	111,270	21%	

Management Services continued on next page

NORTHERN CALIFORNIA POWER AGENCY
REPORT OF BUDGET VS. ACTUAL COST
FOR THE PERIOD ENDED SEPTEMBER 30, 2019

PERCENT OF YEAR ELAPSED
25%

	This Month	Actual Year To-Date	FY 2020 Budget	% Used	
Energy Risk Management	11,353	43,096	211,744	20%	
Settlements	59,203	195,824	979,916	20%	
Integrated Systems Support	1,903	12,699	243,161	5%	
Participant Pass Through Costs	8,321	148,685	1,560,447	10%	
Support Services	30,412	134,156	-	N/A	
	1,184,130	**4,034,115**	**18,242,991**	**22%**	
TOTAL ANNUAL BUDGET COST	**96,533,248**	**261,542,582**	**688,030,072**	**38%**	
LESS: THIRD PARTY REVENUE					
Plant ISO Energy Sales	7,850,772	22,996,538	127,623,712	18%	
Member Resource ISO Energy Sales	(4,814,867)	7,837,803	29,156,411	27%	
Member Owned Generation ISO Energy Sales	21,257,962	21,257,962	67,107,648	32%	(k)
NCPA Contracts ISO Energy Sales	1,669,823	5,120,363	15,623,339	33%	(k)
Western Resource Energy Sales	2,036,306	7,864,141	18,304,471	43%	(l)
Load Aggregation Energy Sales	32,242,540	64,551,113	-	N/A	
Ancillary Services Sales	323,275	2,859,582	4,196,879	68%	(m)
Transmission Sales	9,198	27,594	110,376	25%	
Western Credits, Interest and Other Income	8,029,998	26,846,396	19,227,470	140%	(n)
	68,605,007	**159,361,492**	**281,350,306**	**57%**	
NET ANNUAL BUDGET COST TO PARTICIPANTS	**$ 27,928,241**	**$ 102,181,090**	**$ 406,679,766**	**25%**	

(a) Variance caused by greater than anticipated member contracts for Palo Alto.

(b) Variance caused by greater than anticipated natural gas for Healdsburg, Lodi, Lompoc, and Ukiah.

(c) Variance due to higher than anticipated price per MWh for Base Resource.

(d) Variance due to unbudgeted market purchases and NCPA contracts. Unbudgeted deals made after the FY20 budget including certain NextEra and Exelon deals.

(e) Increase due to unbudgeted costs related to East Bay Community Energy and San Jose Community Energy.

(f) Increase primarily due to greater than anticipated GHG allowances purchased at auction for City of Lodi, Gridley, Healdsburg, Biggs, and Ukiah.

(g) Increase due to unbudgeted costs related to East Bay Community Energy and San Jose Community Energy.

(h) Increase due to unbudgeted costs related to East Bay Community Energy and San Jose Community Energy.

(i) Increase due to unbudgeted costs related to East Bay Community Energy and San Jose Community Energy.

(j) Increase due to unbudgeted costs related to East Bay Community Energy and San Jose Community Energy.

(k) Variance is still under review.

(l) Variance is still under review.

(m) Increase due to greater than projected MWhs of generation.

(n) Variance caused by unbudgeted revenue from customers and greater than anticipated member contract sales.

COMBINED STATEMENTS OF NET POSITION

NORTHERN CALIFORNIA POWER AGENCY
AND ASSOCIATED POWER CORPORATIONS

UNAUDITED

	September 30, 2019	September 30, 2018
ASSETS	(in thousands)	
CURRENT ASSETS		
Cash and cash equivalents	$ 35,854	$ 34,937
Investments	59,495	50,529
Accounts receivable		
Participants	2,776	181
Other	1,650	1,396
Interest receivable	582	478
Inventory and supplies	8,891	9,746
Prepaid expenses	30	881
TOTAL CURRENT ASSETS	109,278	98,148
RESTRICTED ASSETS		
Cash and cash equivalents	37,245	37,296
Investments	171,818	165,883
Interest receivable	840	717
TOTAL RESTRICTED ASSETS	209,903	203,896
ELECTRIC PLANT		
Electric plant in service	1,506,830	1,504,774
Less: accumulated depreciation	(1,011,827)	(981,206)
	495,003	523,568
Construction work-in-progress	182	182
TOTAL ELECTRIC PLANT	495,185	523,750
OTHER ASSETS		
Regulatory assets	225,804	229,872
Preliminary survey and investigation costs	592	74
Investment in associated company	265	265
TOTAL ASSETS	1,041,027	1,056,005
DEFERRED OUTFLOWS OF RESOURCES		
Excess cost on refunding of debt	30,951	39,507
Pension deferrals	16,835	19,200
TOTAL DEFERRED OUTFLOWS OF RESOURCES	47,786	58,707
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 1,088,813	$ 1,114,712

COMBINED STATEMENTS OF NET POSITION

NORTHERN CALIFORNIA POWER AGENCY
AND ASSOCIATED POWER CORPORATIONS

UNAUDITED

	September 30, 2019	September 30, 2018
	(in thousands)	
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$ 45,427	$ 19,477
Accounts and retentions payable - restricted for construction	10	50
Member advances	1,579	1,104
Operating reserves	20,260	22,515
Current portion of long-term debt	42,545	41,950
Accrued interest payable	8,663	8,646
TOTAL CURRENT LIABILITIES	118,484	93,742
NON-CURRENT LIABILITIES		
Net pension and OPEB liability	68,575	76,002
Operating reserves and other deposits	151,925	146,605
Interest rate swap liability	16,513	11,818
Long-term debt, net	616,726	664,182
TOTAL NON-CURRENT LIABILITIES	853,739	898,607
TOTAL LIABILITIES	972,223	992,349
DEFERRED INFLOWS OF RESOURCES		
Regulatory credits	66,644	69,866
Pension and OPEB deferrals	5,749	3,195
TOTAL DEFERRED INFLOWS OF RESOURCES	72,393	73,061
NET POSITION		
Net investment in capital assets	(35,414)	(41,542)
Restricted	16,347	24,023
Unrestricted	63,264	66,821
TOTAL NET POSITION	44,197	49,302
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 1,088,813	$ 1,114,712

COMBINED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

NORTHERN CALIFORNIA POWER AGENCY AND ASSOCIATED POWER CORPORATIONS

UNAUDITED

	Three Months Ended September 30,	
	2019	2018
	(in thousands)	
OPERATING REVENUES		
Participants	$ 105,770	$ 97,010
Other Third-Party	64,929	88,773
TOTAL OPERATING REVENUES	170,699	185,783
OPERATING EXPENSES		
Purchased power	52,738	83,161
Operations	18,179	22,709
Transmission	67,952	43,250
Depreciation	7,758	7,739
Maintenance	5,874	5,432
Administrative and general	4,166	4,551
TOTAL OPERATING EXPENSES	156,667	166,842
NET OPERATING REVENUES	14,032	18,941
NON OPERATING (EXPENSES) REVENUES		
Interest expense	(10,796)	(10,109)
Interest income	204	4,545
Other	1,527	1,588
TOTAL NON OPERATING EXPENSES	(9,065)	(3,976)
FUTURE RECOVERABLE AMOUNTS	(126)	(1,275)
REFUNDS TO PARTICIPANTS	(498)	(2,456)
INCREASE (DECREASE) IN NET POSITION	4,343	11,234
NET POSITION, Beginning of year	39,854	38,068
NET POSITION, Period ended	$ 44,197	$ 49,302

OTHER FINANCIAL INFORMATION

COMBINING STATEMENT OF NET POSITION

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

September 30, 2019

	GENERATING & TRANSMISSION RESOURCES									
ASSETS	Geothermal	Hydroelectric	Multiple Capital Facilities	CT No. One	Lodi Energy Center	Transmission No. One	Purchased Power & Transmission	Associated Member Services	Other Agency	Combined
CURRENT ASSETS										
Cash and cash equivalents	$ 1	$ -	$ 1	$ 1	$ 75	$ -	$ -	$ 100	$ 35,676	$ 35,854
Investments	-	-	-	-	-	-	-	-	59,495	59,495
Accounts receivable										
Participants	-	-	-	-	-	-	-	-	2,776	2,776
Other	5	-	-	-	-	-	1,465	-	180	1,650
Interest receivable	-	-	-	-	-	-	200	2	380	582
Inventory and supplies	4,509	1,574	246	359	2,203	-	-	-	-	8,891
Prepaid expenses	112	176	13	19	119	-	-	4	(413)	30
Due from Agency and other programs*	10,128	9,991	2,399	2,143	23,646	-	36,490	7,982	(92,779)	-
TOTAL CURRENT ASSETS	14,755	11,741	2,659	2,522	26,043	-	38,155	8,088	5,315	109,278
RESTRICTED ASSETS										
Cash and cash equivalents	1,319	6,314	1,090	-	6,868	-	2,803	-	18,851	37,245
Investments	28,121	31,639	1,551	-	25,919	-	27,107	-	57,481	171,818
Interest receivable	183	123	8	-	113	-	-	-	413	840
TOTAL RESTRICTED ASSETS	29,623	38,076	2,649	-	32,900	-	29,910	-	76,745	209,903
ELECTRIC PLANT										
Electric plant in service	571,582	395,116	64,852	36,639	423,853	7,736	-	894	6,158	1,506,830
Less: accumulated depreciation	(540,355)	(274,049)	(51,120)	(34,720)	(99,825)	(7,736)	-	(532)	(3,490)	(1,011,827)
	31,227	121,067	13,732	1,919	324,028	-	-	362	2,668	495,003
Construction work-in-progress	-	-	-	-	182	-	-	-	-	182
TOTAL ELECTRIC PLANT	31,227	121,067	13,732	1,919	324,210	-	-	362	2,668	495,185
OTHER ASSETS										
Regulatory assets	(1,155)	133,340	8,302	-	24,988	-	-	-	60,329	225,804
Preliminary survey and investigation costs	-	-	-	-	-	-	-	592	-	592
Investment in associated company	-	-	-	-	-	-	-	-	265	265
TOTAL ASSETS	74,450	304,224	27,342	4,441	408,141	-	68,065	9,042	145,322	1,041,027
DEFERRED OUTFLOWS OF RESOURCES										
Excess cost on refunding of debt	1,521	26,933	753	-	1,744	-	-	-	-	30,951
Pension deferrals and OPEB deferrals	-	-	-	-	-	-	-	-	16,835	16,835
Asset Retirement Obligations	-	-	-	-	-	-	-	-	-	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,521	26,933	753	-	1,744	-	-	-	16,835	47,786
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 75,971	$ 331,157	$ 28,095	$ 4,441	$ 409,885	$ -	$ 68,065	$ 9,042	$ 162,157	$ 1,088,813

* Eliminated in Combination

OTHER FINANCIAL INFORMATION

COMBINING STATEMENT OF NET POSITION

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

September 30, 2019

	GENERATING & TRANSMISSION RESOURCES									
	Geothermal	Hydroelectric	Multiple Capital Facilities	CT No. One	Lodi Energy Center	Transmission	Purchased Power & Transmission	Associated Member Services	Other Agency	Combined
LIABILITIES										
CURRENT LIABILITIES										
Accounts payable and accrued expenses	$ 71	$ 541	$ 1	$ 513	$ 1,910	$ -	$ 37,784	$ -	$ 4,607	$ 45,427
Accounts and retentions payable - restricted for construction	-	10	-	-	-	-	-	-	-	10
Member advances	791	-	-	-	-	-	-	788	-	1,579
Operating reserves	1,551	250	491	2,994	14,974	-	-	-	-	20,260
Current portion of long-term debt	5,290	20,725	4,490	-	12,040	-	-	-	-	42,545
Accrued interest payable	91	3,704	206	-	4,662	-	-	-	-	8,663
TOTAL CURRENT LIABILITIES	7,794	25,230	5,188	3,507	33,586	-	37,784	788	4,607	118,484
NON-CURRENT LIABILITIES										
Net pension and OPEB liability	-	-	-	-	-	-	-	-	68,575	68,575
Operating reserves and other deposits	22,302	16,095	-	-	1,159	-	32,885	2,809	76,675	151,925
Interest rate swap liability	-	16,513	-	-	-	-	-	-	-	16,513
Long-term debt, net	15,505	260,824	21,347	-	319,050	-	-	-	-	616,726
TOTAL NON-CURRENT LIABILITIES	37,807	293,432	21,347	-	320,209	-	32,885	2,809	145,250	853,739
TOTAL LIABILITIES	45,601	318,662	26,535	3,507	353,795	-	70,669	3,597	149,857	972,223
DEFERRED INFLOWS OF RESOURCES										
Regulatory credits	18,317	3,611	845	2,090	38,269	-	-	363	3,149	66,644
Pension and OPEB deferrals	-	-	-	-	-	-	-	-	5,749	5,749
TOTAL DEFERRED INFLOWS OF RESOURCES	18,317	3,611	845	2,090	38,269	-	-	363	8,898	72,393
NET POSITION										
Net investment in capital assets	(1,850)	(14,184)	(3,620)	-	(15,760)	-	-	-	-	(35,414)
Restricted	(14,316)	14,082	2,443	-	16,841	-	(2,775)	-	72	16,347
Unrestricted	28,219	8,986	1,892	(1,156)	16,740	-	171	5,082	3,330	63,264
TOTAL NET POSITION	12,053	8,884	715	(1,156)	17,821	-	(2,604)	5,082	3,402	44,197
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 75,971	$ 331,157	$ 28,095	$ 4,441	$ 409,885	$ -	$ 68,065	$ 9,042	$ 162,157	$ 1,088,813

OTHER FINANCIAL INFORMATION

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

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

For the Three Months Ended September 30, 2019

	GENERATING & TRANSMISSION RESOURCES									
	Geothermal	Hydroelectric	Multiple Capital Facilities	CT No. One	Lodi Energy Center	Transmission	Purchased Power & Transmission	Associated Member Services	Other Agency	Combined
OPERATING REVENUES										
Participants	$ 4,586	$ 961	$ 1,762	$ 1,283	$ 15,603	$ -	$ 76,423	$ 5,048	$ 104	$ 105,770
Other Third-Party	6,618	7,269	331	379	11,264	-	38,431	637	-	64,929
TOTAL OPERATING REVENUES	11,204	8,230	2,093	1,662	26,867	-	114,854	5,685	104	170,699
OPERATING EXPENSES										
Purchased power	114	660	16	100	184	-	51,664	-	-	52,738
Operations	4,222	832	352	336	8,010	-	1,128	3,299	-	18,179
Transmission	82	217	1	12	186	-	67,453	1	-	67,952
Depreciation	1,029	2,352	553	50	3,655	-	-	29	90	7,758
Maintenance	1,943	2,074	285	521	1,032	-	-	19	-	5,874
Administrative and general	1,177	805	199	216	1,240	-	-	1,555	(1,026)	4,166
Intercompany (sales) purchases, net*	(235)	94	24	28	103	-	-	(14)	-	-
TOTAL OPERATING EXPENSES	8,332	7,034	1,430	1,263	14,410	-	120,245	4,889	(936)	156,667
NET OPERATING REVENUES	2,872	1,196	663	399	12,457	-	(5,391)	796	1,040	14,032
NON OPERATING (EXPENSES) REVENUES										
Interest expense	(155)	(6,740)	(329)	-	(3,572)	-	-	-	-	(10,796)
Interest income	26	2	9	3	295	-	86	25	(242)	204
Other	-	-	480	-	837	-	-	-	210	1,527
TOTAL NON OPERATING (EXPENSES) REVENUES	(129)	(6,738)	160	3	(2,440)	-	86	25	(32)	(9,065)
FUTURE RECOVERABLE AMOUNTS	(557)	715	(587)	-	303	-	-	-	-	(126)
REFUNDS TO PARTICIPANTS	(87)	29	56	195	-	-	135	(552)	(274)	(498)
INCREASE (DECREASE) IN NET POSITION	2,099	(4,798)	292	597	10,320	-	(5,170)	269	734	4,343
NET POSITION, Beginning of year	9,954	13,682	423	(1,753)	7,501	-	2,566	4,813	2,668	39,854
NET POSITION, Period ended	$ 12,053	$ 8,884	$ 715	$ (1,156)	$ 17,821	$ -	$ (2,604)	$ 5,082	$ 3,402	$ 44,197

* Eliminated in Combination

NORTHERN CALIFORNIA POWER AGENCY & ASSOCIATED POWER CORPORATIONS
AGED ACCOUNTS RECEIVABLE
September 30, 2019

Status	Participant / Customer	Description	Amount
CURRENT			$ 4,287,088
PAST DUE:			
1 - 30	Calpine Geysers Plant Service	July 2019 Effluent	139,233
31 - 60			
61 - 90			
91 - 120			
Over 120 Days	CDWR	Training	72
	PARTICIPANT and OTHER RECEIVABLES (net)		$ 4,426,394

A PUBLIC AGENCY
NCPA
NORTHERN CALIFORNIA POWER AGENCY

Commission Staff Report

October 14, 2019

COMMISSION MEETING DATE: October 24, 2019

SUBJECT: Acceptance of the Annual Financial Statements and Associated Audit Report and Letters for the Years Ended June 30, 2019 and 2018

AGENDA CATEGORY: Consent

FROM:	Monty Hanks MH Assistant General Manager/CFO	**METHOD OF SELECTION:** N/A
Division:	Administrative Services	
Department:	Accounting & Finance	

IMPACTED MEMBERS:

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

If other, please specify

RECOMMENDATION:

Northern California Power Agency staff and the Finance Committee recommend that the Commission accept and file the Annual Financial Statements and Associated Audit Report and Letters for the years ended June 30, 2019 and 2018.

BACKGROUND:

On October 8, 2019, the Finance Committee held a meeting to review the Northern California Power Agency and Associated Power Corporations (collectively "NCPA") Financial Statements and Associated Audit Report and Letters for the years June 30, 2019 and 2018. The audit partner from NCPA's audit firm, Baker Tilly Virchow Krause, LLP, reviewed the highlights of the financial statements and answered questions from the Committee. The financial report was given an unmodified or "clean" opinion by the auditors. No evidence of fraud or illegal acts were noted in the course of the audit. In addition, the auditors presented a Power Point (copy is attached) which includes required communications by the auditor. Additional auditor reports include an internal control letter, negative assurance letters for bond indentures, NCPA's investment policy, and State Controller's Minimum Audit Requirements. Copies of these letters are attached to this report. Nothing of significance was noted in any of the letters.

FISCAL IMPACT:

This financial report for the years ended June 30, 2019 and 2018, which has no direct budget impact to NCPA, but merely reports on the fiscal impacts for the last fiscal year.

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 Finance Committee on October 8 and was recommended for Commission approval by a unanimous vote.

Respectfully submitted,

RANDY S. HOWARD
General Manager

Attachments:
- Financial Statements for the years ended June 30, 2019 and 2018
- Baker Tilly correspondence dated October 2, 2019
  - Required communications by the Auditor to those charged with governance
  - Compliance with Bond Indentures Letter
  - Compliance with Investment Policy Letter
  - Compliance with State Controller's Minimum Audit Requirements
- PowerPoint presented to Finance Committee by auditors on October 8, 2019

SR: 213:19



AND

ASSOCIATED POWER CORPORATIONS

Report on Audit of Combined Financial Statements
and
Supplementary Information

For the Years Ended June 30, 2019 and 2018

NORTHERN CALIFORNIA POWER AGENCY
AND ASSOCIATED POWER CORPORATIONS

Report on Audit of Combined Financial Statements

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As of and For the Years Ended June 30, 2019 and 2018

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bakertilly

INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
Northern California Power Agency and Associated Power Corporations
Roseville, California

We have audited the accompanying combined financial statements of the Northern California Power Agency and Associated Power Corporations (the "Agency"), as of and for the years ended June 30, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the combined basic financial statements of the Agency as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these combined financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Agency's preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of the Agency as of June 30, 2019 and 2018, and the respective changes in combined financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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Emphasis of Matter

As discussed in Note B, the Agency adopted the provisions of GASB Statement No. 83, *Certain Asset Retirement Obligations,* effective July 1, 2018. Certain balances presented in the prior year have been restated due to the implementation of the new standard. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information as listed in the table of contents be presented to supplement the combined basic financial statements. Such information, although not a part of the combined basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the combined basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the combined basic financial statements, and other knowledge we obtained during our audit of the combined basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Agency's combined basic financial statements as a whole. The combining statements of net position, combining statements of revenues, expenses and changes in net position, combining statements of cash flows (combining financial statements) as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the combined basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined basic financial statements or to the combined basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining financial statements are fairly stated in all material respects, in relation to the combining basic financial statements as a whole.

Other Information

Our audits were conducted for the purpose of forming an opinion on the combined financial statements that collectively comprise the Agency's combined basic financial statements. The schedule of generation entitlement shares is presented for purposes of additional analysis and is not a required part of the combined basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the combined basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Baker Tilly Virchow Krause, LLP

Madison, Wisconsin
October 2, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

NORTHERN CALIFORNIA POWER AGENCY
AND ASSOCIATED POWER CORPORATIONS

The management of Northern California Power Agency (the Agency or NCPA) offers the following narrative discussion and analysis of its financial performance for the years ended June 30, 2019 and 2018. This discussion should be read in conjunction with the Agency's combined financial statements and accompanying notes, which follow this section.

BACKGROUND

The Northern California Power Agency is a joint powers agency formed by member public entities under the laws of the State of California to provide cost effective wholesale power, energy-related services, and advocacy on behalf of public power consumers. The Agency's purposes are for purchasing, generating, transmitting, and selling electrical energy and for providing other related services to its members and customers as each may require. The Agency provides a portion of certain of its members' power needs and certain of its members also self-provide and/or purchase power and transmission from other public and private sources.

NCPA is governed by a Commission comprised of one representative for each member. The Commission is responsible for the general management of the affairs, property, and business of the Agency. Under the direction of the General Manager, the staff of the Agency is responsible for providing various administrative, operating and planning services for the Agency.

The Agency's project construction and development programs have been individually financed by project revenue bonds that are collateralized by the Agency's assignment of all payments, revenues, and proceeds associated with its interest in each project. Each of the Agency's members may choose which projects it wishes to participate in, and is known as a "project participant" for each such project. Each project participant has agreed to pay its proportionate share of debt service and other costs of the related project, notwithstanding the suspension, interruption, interference, or reduction or curtailment of output from the project for any reason (that is, the take-or-pay member agreements).

Power sales by the Agency to its members for their resale include both sales of power to project participants generated by operating plants and power purchased from outside sources. Collections for power sales are designed to recover costs that include budgeted annual operating costs and debt service. Additional amounts for operating reserves or cost stabilization may be included in collections under the terms of bond indentures. The Agency's collections for electric service are not subject to the regulatory jurisdiction of the California Public Utilities Commission (CPUC) or the Federal Energy Regulatory Commission (FERC). Rather, the Agency's collections are established annually in connection with its budget, which is approved by its governing Commission.

Various legal and tax considerations caused the Agency to provide that separate not-for-profit corporations should be delegated by the Agency to own the geothermal electrical generating projects undertaken by the Agency ("the Associated Power Corporations"). The Associated Power Corporations, consisting of Northern California Municipal Power Corporation Nos. Two and Three, have delegated to the Agency the authority to construct, operate, and manage their respective geothermal plants and related assets. The Agency, in return for financing the costs of acquisition and construction, acquires all the capacity and energy generated by the plants.

Because the Agency is a separate, special-purpose governmental entity that serves its participating members, who are also the Agency's principal customers, the net results of operations flow through to its participating members as either net revenues or net expenses.

FINANCIAL REPORTING

For accounting purposes, the Agency is a special-purpose governmental entity that is engaged in a business-type activity, principally as a supplier of wholesale electricity and transmission to its member participants. As such, the Agency's financial statements are presented as an enterprise type fund.

The records of the Agency and the Associated Power Corporations are maintained substantially in accordance with the FERC Uniform System of Accounts. Accounting principles generally accepted in the United States of America are applied by the Agency in conformance with pronouncements of the Governmental Accounting Standards Board (GASB). The combined financial statements encompass the Agency and Associated Power Corporations on an accrual accounting basis. All significant intercompany balances and transactions have been eliminated from the combined amounts reported.

In accordance with GASB Statement of Government Accounting Standards No. 62, Codification of Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting (GASB No. 62), the Agency has recorded as regulatory assets and liabilities certain items of expense and revenue that otherwise would have been charged to operations as such items will be recovered in future years' operations. The Agency expects to recover these items in collections over the term of the related debt obligations it has issued or when the obligation is paid.

Implemented in FY 2019, GASB Statement of Government Accounting Standards No. 83, Certain Asset Retirement Obligations, established standards for accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. This Statement requires the measurement of an ARO to be based on the best estimate of the current value of outlays to be incurred.

Implemented in FY 2018, GASB Statement of Government Accounting Standards No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements, requires additional note disclosures for debt, including direct borrowings and direct placements.

Implemented in FY 2018, GASB Statement of Government Accounting Standards No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions (OPEB) requires the Agency to report a liability on the face of the financial statements, including deferred outflows of resources and deferred inflows. The standard also requires more extensive note disclosures and required supplementary information related to our OPEB liabilities.

COMBINED STATEMENTS OF NET POSITION, COMBINED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION, AND COMBINED STATEMENTS OF CASH FLOWS

The combined statements of net position includes the Agency's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position using the accrual method of accounting, as well as information about which assets can be used for general purposes and which assets are restricted as a result of bond covenants and other commitments. The combined statement of net position provides information about the nature and amount of resources and obligations at a specific point in time. The combined statements of revenues, expenses, and changes in net position report all the revenues and expenses during the time periods indicated. The combined statements of cash flows report the cash provided and used by operating activities, as well as other cash sources such as investment income and debt financing, and other cash uses, such as payments for debt service and capital additions.

FINANCIAL HIGHLIGHTS

The following is a summary of the Agency's combined financial position and results of operations for the years ended June 30, 2019, 2018, and 2017.

Condensed Statement of Net Position	June 30, (in thousands) 2019	2018 (Restated)	2017
Assets			
Current assets	$ 99,363	$ 89,908	$ 88,453
Restricted assets	213,312	219,905	221,783
Electric plant, net	502,479	531,337	559,841
Other assets	224,403	231,430	236,269
Total Assets	1,039,557	1,072,580	1,106,346
Deferred outflows of resources	112,427	123,280	123,916
	$ 1,151,984	$ 1,195,860	$ 1,230,262
Liabilities and Net Position			
Long-term debt, net	$ 647,273	$ 694,597	$ 737,022
Current liabilities	103,344	95,389	101,550
Non-current liabilities	272,445	277,063	264,494
Total Liabilities	1,023,062	1,067,049	1,103,066
Deferred inflows of resources	90,546	90,743	93,136
Net position:			
Net investment in capital assets	(45,572)	(61,207)	(62,191)
Restricted	49,243	60,375	58,269
Unrestricted	34,705	38,900	37,982
	$ 1,151,984	$ 1,195,860	$ 1,230,262

Condensed Statements of Revenues, Expenses and Changes in Net Position	Years Ended June 30, (in thousands) 2019	2018 (Restated)	2017
Operating revenues	$ 699,166	$ 562,392	$ 466,738
Operating expenses	(656,115)	(510,714)	(418,307)
Net operating revenues	43,051	51,678	48,431
Other expenses	(20,774)	(25,559)	(21,561)
Future refundable costs	(7,791)	(11,797)	(13,274)
Refunds to participants	(14,178)	(10,314)	(7,499)
Change in net position	308	4,008	6,097
Net position, beginning of year	38,068	34,060	27,963
Net position, end of year	$ 38,376	$ 38,068	$ 34,060

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

Current Assets

2019 Compared to 2018 - Current assets increased $9.5 million or 10.5% from the prior year, primarily due to timing of collections and payments of transmission costs, energy sales and purchases and operating use availability.

2018 Compared to 2017 - Current assets increased $1.5 million or 1.6% from the prior year, primarily due to timing of collections and payments of transmission costs and energy sales and purchases.

Restricted Assets

2019 Compared to 2018 - Restricted assets decreased $6.5 million or 3.0% from the prior year. This is primarily due to funds used for capital development projects net of increased investment mark to market adjustment as a result of lower interest rate compared to prior year.

2018 Compared to 2017 - Restricted assets decreased $1.9 million or 0.8% from the prior year. This is primarily due to decreased investment mark to market adjustment as a result of higher interest rate compared to prior year.

Electric Plant, net

2019 Compared to 2018 - The Agency has invested approximately $502.5 million in plant assets and construction work in progress, net of accumulated depreciation, at June 30, 2019. Net utility plant comprises approximately 43.6% of the Agency's assets. The $28.9 million or 5.4% decrease from the prior year consists of $30.9 million in depreciation, offset by net capital expenditures of $2.0 million. For additional detail, refer to Note B – Significant Accounting Policies.

2018 Compared to 2017 - The Agency has invested approximately $531.3 million in plant assets and construction work in progress, net of accumulated depreciation, at June 30, 2018. Net utility plant comprises approximately 46.1% of the Agency's assets. The $28.5 million or 5.1% decrease from the prior year consists of $30.9 million in depreciation, offset by net capital expenditures of $2.4 million. For additional detail, refer to Note B – Significant Accounting Policies.

Deferred Outflows

2019 Compared to 2018 - Total deferred outflows of resources decreased $10.9 million or 8.8% due to the scheduled amortization of excess of cost on refunding of debt of $8.6 million, decrease of deferred pension and OPEB contributions of $2.2 million and decrease of deferred ARO of $0.1 million.

2018 Compared to 2017 - Total deferred outflows of resources decreased $0.6 million or 0.5% due to the scheduled amortization of excess of cost on refunding of debt of $6.2 million and net recognition of ARO funding of $0.1 million offset by increase of deferred pension and OPEB contributions of $5.7 million.

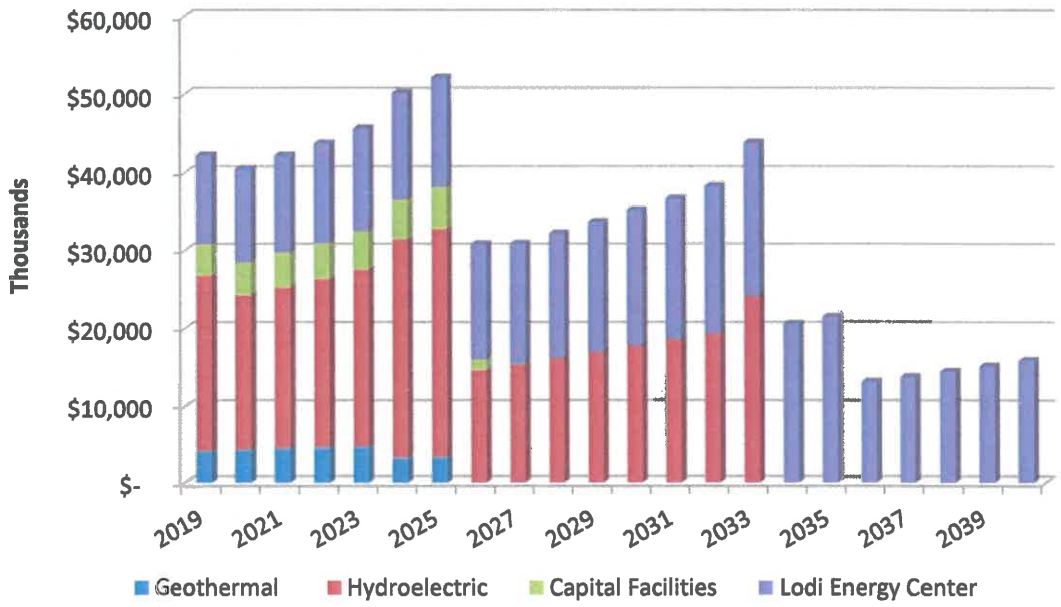
LIABILITIES

Long-Term Debt, net

2019 Compared to 2018 - Long-term debt, net decreased $47.3 million or 6.8% in 2019 as a result of scheduled principal payments of $42.3 million, net premium amortization of $2.6 million, and a net decrease of $11.4 million related to the following refunding: Hydroelectric Project One Revenue Bonds 2019 Refunding Series A that refunded the Hydroelectric Project One Revenue Bonds 2010 Refunding Series A. These decreases were offset by an increase for the net transfer of the current portion of long-term debt of $9.0 million. For additional detail, refer to Note E - Projects and Related Financing.

2018 Compared to 2017 - Long-term debt, net decreased $42.4 million or 5.8% in 2018 as a result of scheduled principal payments of $39.8 million, net premium amortization of $2.3 million, and a decrease for the net transfer of the current portion of long-term debt of $2.8 million offset by a net increase of $2.5 million related to two refunding activities: 1) Hydroelectric Project Number One Revenue Bonds 2018 Refunding Series A and B that refunded the Hydroelectric Project Number One Revenue Bonds 2008 Refunding Series C, and 2) Lodi Energy Center Revenue Refunding Bonds, Issue One, 2017 Series A that partially refunded the Lodi Energy Center Revenue Bonds, Issue One, 2010 Series A debt. For additional detail, refer to Note E – Projects and Related Financing.

The following table shows the Agency's scheduled annual debt service principal payments through FY 2040 as of June 30, 2019:



Current Liabilities

2019 Compared to 2018 - Current liabilities increased by $7.9 million or 8.3% in 2019. This is primarily due to increases in accounts payable of $16.9 million for purchased energy and transmission costs offset by decreases in current portion of long-term debt of $9.0 million.

2018 Compared to 2017 - Current liabilities decreased by $6.2 million or 6.1% in 2018. This is primarily due to decreases in accounts payable of $8.4 million and decreases in accrued interest payable of $1.9 million offset by increases in operating reserves of $1.3 million and increases in current portion of long-term debt of $2.8 million.

Other Non-Current Liabilities

2019 Compared to 2018 - Non-current liabilities decreased by a net of $4.6 million or 1.7% in 2019. This was primarily due to decreased net pension and OPEB liability of $9.9 million offset by increased asset retirement obligations of $1.5 million increased for inflation, increased operating reserves of $0.3 million for interest earnings, and increased interest rate swap liability of $3.5 million.

2018 Compared to 2017 - Non-current liabilities increased by a net of $12.6 million or 4.8% in 2018. This was primarily due to increased net pension and OPEB liability of $11.4 million and increased operating reserves of $5.7 million for budget collections offset by decreased interest rate swap liability of $4.0 million and amortization of asset retirement obligations of $0.5 million.

Deferred Inflows

2019 Compared to 2018 – Total deferred inflows of resources decreased $0.2 million or 0.2% due to deferral of certain revenues related to the amortization of construction advances and prepaids totaling $2.8 million and net pension and OPEB expense amortization of $2.6 million.

2018 Compared to 2017 – Total deferred inflows of resources decreased $2.3 million or 2.6% due to deferral of certain revenues related to the amortization of construction advances and prepaids totaling $1.0 million and net pension and OPEB expense amortization of $1.3 million.

CHANGES IN NET POSITION

The Agency is intended to operate on a not-for-profit basis. Therefore, net position primarily represents differences between total revenues collected, based on estimated operating expenses and debt service, and the total actual expenses incurred. In subsequent periods of operation, excess collections (net of encumbrances) may be refunded to participants or appropriated for other uses at the discretion of the Agency's governing Board of Commissioners. In the event the Agency incurs a net expense at year-end, the balance would be subject to recovery from participants under the terms of the related participating member agreements. See Notes A, B and E to the Combined Financial Statements.

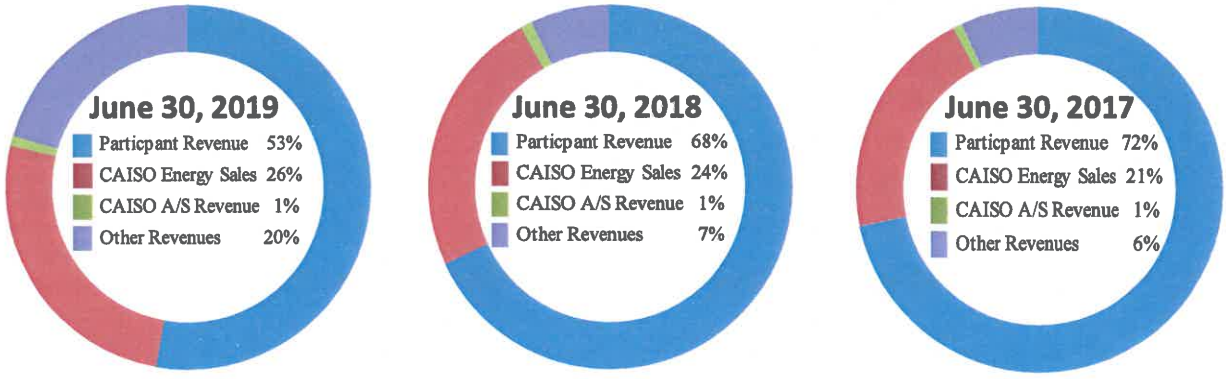
Operating Revenues

Operating revenues consist of Participants Revenue, California Independent System Operator (CAISO) Energy Sales and Ancillary Services (A/S) Revenues and Other Revenues.

2019 Compared to 2018 - Operating revenues for fiscal year 2019 were approximately $136.8 million or 24.3% higher than in the prior fiscal year. This was the net result of the following: (1) revenue from non-members of $67.1 million for their share of energy contracts and transmission costs, (2) higher overall plants' generation of 3,016,295 MWh versus 2,368,663 MWh in the prior year, and (2) higher collections for transmission costs due to increased generation.

2018 Compared to 2017 - Operating revenues for fiscal year 2018 were approximately $95.6 million or 20.5% higher than in the prior fiscal year. This was the net result of the following: (1) higher LEC generation of 1,075,084 MWh versus 299,107 MWh in the prior year, and (2) higher collections for transmission costs due to increased generation.

OPERATING REVENUES BY SOURCES

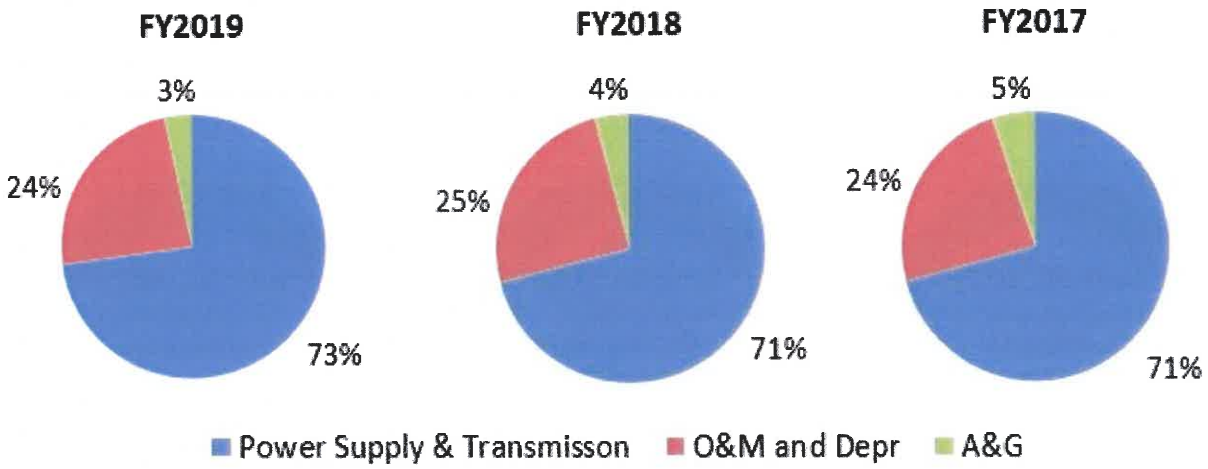


Operating Expenses

2019 Compared to 2018 - Operating expenses were $656.1 million in FY 2019, an increase of $145.4 million from FY 2018. Purchased power expense was $74.3 million higher in 2019 primarily due to increased energy purchased to fulfill energy requirements for member and non-member participants. Operations expense increased $22.4million primarily due to increased fuel usage for the LEC and water costs for Hydro (see Operating Revenues). Maintenance expenses were $5.3 million higher than in FY 2019 due to increased plant maintenance project costs necessitated from increased generation. Additionally, the increase in transmission costs of $43.4 million was due to increased generation from plants and from new non-member participants.

2018 Compared to 2017 - Operating expenses were $510.7 million in FY 2018, an increase of $92.4 million from FY 2017. Purchased power expense was $31.4 million higher in 2018 primarily due to increased energy purchased to fulfill energy requirements. Operations expense increased $22.8 million primarily due to increased fuel usage for the LEC (see Operating Revenues). Maintenance expenses were $4.5 million higher than in FY 2017 due to increased plant maintenance costs resulting from increased generation. Additionally, the increase in transmission costs of $33.7 million was due to increased generation.

The following charts compare the components of Operating Expenses in fiscal years ended June 30, 2019, 2018, and 2017:



FINANCING ACTIVITIES

During 2019, 2018 and 2017 the Agency continued to implement strategies to further improve its competitive position and financial flexibility. These actions included: (1) monitoring current financial market conditions for financing or refinancing opportunities; and (2) providing rating agencies annual updates on all projects.

In April 2019, the Agency issued Hydroelectric Project Number One Revenue Bonds, 2019 Refunding Series A ($39,250,000) to refund Hydroelectric Project Number One Revenue Bond, 2010 Refunding Series A. The refunding was completed through the issuance of $39,250,000 fixed rate debt (2019 Series A) with a yield of 1.40% with varying principal maturities ranging from $940,000 to $13,650,000 through July 1, 2023. The refunding is estimated to have decreased project debt service by an estimated $8.09 million over the next 5 years, which results in an estimated economic gain to the Agency of approximately $3.62 million.

In March 2018, the Agency issued Hydroelectric Project Number One Revenue Bonds 2018 Refunding Series A and B ($70,215,000) to refund Hydroelectric Project Number One Revenue Bond 2008 Refunding Series C. The refunding was completed through the issuance of $70,215,000 fixed rate debt (2018 Series A & B) with a yield of 2.01% with varying principal maturities ranging from $839,850 to $14,957,250 through July 1, 2024. The refunding is estimated to have decreased project debt service by an estimated $8.34 million over the next 5 years, which results in an estimated economic gain to the Agency of approximately $7.76 million.

In December 2017, the Agency issued Lodi Energy Center Revenue Refunding Bonds Issue One 2017 Series A ($38,970,000) to refund a portion of Lodi Energy Center Revenue Bonds Issue One 2010 Series A. The private placement refunding was completed through the issuance of $38,970,000 fixed rate tax exempt debt (2017 Series A) with a yield of 2.27% with varying principal maturities ranging from $335,000 to $7,825,000 through June 1, 2025. The refunding is estimated to have decreased project debt service by an estimated $2.41 million over the next 6 years, which results in an estimated economic gain to the Agency of approximately $2.22 million.

Each year the Agency has either informal discussions or sometimes formal presentations with each of the credit rating agencies in order to maintain ongoing communications. During 2018 and 2019, Standard and Poor's, Moody's, and Fitch affirmed their ratings on all projects. On May 30th, 2019 Moody's upgraded the rating on NCPA's Capital Facilities Project to A1 from A2 with an outlook of stable.

Ratings assigned to the Agency's outstanding project bonds as of June 30, 2019 are as follows:

Debt Credit Ratings:	Standard & Poor's	Fitch	Moody's
Geothermal	A- , stable	A+, stable	A1, stable
Hydroelectric	A+, stable	AA-, stable	Aa3, stable
Capital Facilities	A- , stable	Not rated	A1, stable
Lodi Energy Center (Issue One)	A- , stable	A, stable	A1, stable
Lodi Energy Center (Issue Two)	AAA, stable	Not rated	Aa2, stable

INVESTMENT IN ASSOCIATED COMPANY

Effective June 2018, the Agency invested a 20% interest in the not-for-profit corporation Hometown Connections, Inc. (HCI) for $265,000. HCI is a national service corporation that provides consulting, management and metering services to public power utilities on a national level. HCI has contracted with the Agency to provide monthly accounting service. This investment is accounted for using the equity method of accounting.

SUMMARY

The management of the Agency is responsible for preparing the information in this management's discussion and analysis, combined financial statements and notes to the combined financial statements. Financial statements were prepared according to accounting principles generally accepted in the United States of America, and they fairly portray the Agency's financial position and operating results. The notes to the financial statements are an integral part of the basic financial statements and provide additional financial information.

Agency Financials

COMBINED STATEMENTS OF NET POSITION

NORTHERN CALIFORNIA POWER AGENCY
AND ASSOCIATED POWER CORPORATIONS

	June 30,	
	2019	2018 (Restated)
ASSETS	(in thousands)	
CURRENT ASSETS		
Cash and cash equivalents	$ 43,427	$ 38,561
Investments	41,915	36,963
Accounts receivable		
Participants	236	950
Other	2,629	1,797
Interest receivable	586	319
Inventory and supplies	8,891	9,746
Prepaid expenses	1,679	1,572
TOTAL CURRENT ASSETS	99,363	89,908
RESTRICTED ASSETS		
Cash and cash equivalents	57,635	65,435
Investments	154,903	153,830
Interest receivable	774	640
TOTAL RESTRICTED ASSETS	213,312	219,905
ELECTRIC PLANT		
Electric plant in service	1,506,366	1,504,621
Less: accumulated depreciation	(1,004,069)	(973,466)
	502,297	531,155
Construction work-in-progress	182	182
TOTAL ELECTRIC PLANT	502,479	531,337
OTHER ASSETS		
Regulatory assets	223,703	231,147
Preliminary survey and investigation costs	435	18
Investment in associated company	265	265
TOTAL ASSETS	1,039,557	1,072,580
DEFERRED OUTFLOWS OF RESOURCES		
Excess cost on refunding of debt	33,271	41,876
Pension and OPEB deferrals	17,055	19,200
Asset Retirement Obligations	62,101	62,204
TOTAL DEFERRED OUTFLOWS OF RESOURCES	112,427	123,280
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 1,151,984	$ 1,195,860

See notes to combined financial statements

COMBINED STATEMENTS OF NET POSITION

NORTHERN CALIFORNIA POWER AGENCY
AND ASSOCIATED POWER CORPORATIONS

	June 30, 2019	June 30, 2018 (Restated)
	(in thousands)	
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$ 38,887	$ 22,020
Member advances	1,380	1,068
Operating reserves	21,995	21,328
Current portion of long-term debt	33,340	42,335
Accrued interest payable	7,742	8,638
TOTAL CURRENT LIABILITIES	103,344	95,389
NON-CURRENT LIABILITIES		
Net pension and OPEB liabilities	66,126	76,002
Operating reserves and other deposits	126,551	126,239
Interest rate swap liability	14,613	11,109
Asset Retirement Obligations	65,155	63,713
Long-term debt, net	647,273	694,597
TOTAL NON-CURRENT LIABILITIES	919,718	971,660
TOTAL LIABILITIES	1,023,062	1,067,049
DEFERRED INFLOWS OF RESOURCES		
Regulatory credits	84,744	87,548
Pension and OPEB deferrals	5,802	3,195
TOTAL DEFERRED INFLOWS OF RESOURCES	90,546	90,743
NET POSITION		
Net investment in capital assets	(45,572)	(61,207)
Restricted for:		
Debt service	47,110	59,140
Other programs	2,133	1,235
Unrestricted	34,705	38,900
TOTAL NET POSITION	38,376	38,068
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 1,151,984	$ 1,195,860

See notes to combined financial statements

COMBINED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

NORTHERN CALIFORNIA POWER AGENCY AND ASSOCIATED POWER CORPORATIONS

	Years Ended June 30,	
	2019	2018 (Restated)
	(in thousands)	
OPERATING REVENUES		
Participants	$ 369,885	$ 383,271
Other Third-Party	329,281	179,121
TOTAL OPERATING REVENUES	699,166	562,392
OPERATING EXPENSES		
Purchased power	298,508	224,197
Operations	99,990	75,714
Transmission	180,633	137,251
Depreciation	30,844	30,915
Maintenance	26,836	21,497
Administrative and general	19,304	21,140
TOTAL OPERATING EXPENSES	656,115	510,714
NET OPERATING REVENUES	43,051	51,678
NON OPERATING (EXPENSES) REVENUES		
Interest expense	(39,291)	(34,728)
Interest income	10,447	1,245
Other	8,070	7,924
TOTAL NON OPERATING EXPENSES	(20,774)	(25,559)
FUTURE RECOVERABLE AMOUNTS	(7,791)	(11,797)
REFUNDS TO PARTICIPANTS	(14,178)	(10,314)
INCREASE (DECREASE) IN NET POSITION	308	4,008
NET POSITION, Beginning of year	38,068	34,060
NET POSITION, End of year	$ 38,376	$ 38,068

See notes to combined financial statements

COMBINED STATEMENTS OF CASH FLOW

NORTHERN CALIFORNIA POWER AGENCY
AND ASSOCIATED POWER CORPORATIONS

	Years Ended June 30,	
	2019	2018 (Restated)
	(in thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Received from participants	$ 368,107	$ 382,264
Received from others	332,238	178,886
Payments for employee services	(41,848)	(38,700)
Payments to suppliers for goods and services	(568,618)	(439,070)
NET CASH FLOWS FROM OPERATING ACTIVITIES	89,879	83,380
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from maturities and sales of investments	111,768	99,449
Interest received on cash and investments	4,928	3,246
Purchase of investments	(116,238)	(129,244)
NET CASH FLOWS FROM INVESTING ACTIVITIES	458	(26,549)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of electric plant	(2,348)	(2,411)
Interest paid on long-term debt	(31,234)	(33,954)
Principal repayment on long-term debt	(42,335)	(39,830)
Proceeds from bond issues	43,158	117,438
Payments to refund debt	(53,987)	(117,714)
NET CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	(86,746)	(76,471)
CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES		
Other proceeds	7,653	7,906
Refunds to participants	(14,178)	(10,314)
NET CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES	(6,525)	(2,408)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(2,934)	(22,048)
CASH AND CASH EQUIVALENTS		
Beginning of year	103,996	126,044
End of year	$ 101,062	$ 103,996

See notes to combined financial statements

COMBINED STATEMENTS OF CASH FLOW-Continued

NORTHERN CALIFORNIA POWER AGENCY
AND ASSOCIATED POWER CORPORATIONS

	Years Ended June 30,	
	2019	2018 (Restated)
	(in thousands)	
RECONCILIATION OF NET OPERATING REVENUES TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Operating income	$ 43,051	$ 51,678
Adjustments to reconcile net operating revenues to net cash from operating activities:		
Depreciation	30,844	30,915
	73,895	82,593
CASH FLOWS IMPACTED BY CHANGES IN		
Accounts receivable	(118)	3,900
Inventory, prepaid expense, and unused vendor credits	748	(263)
Operating reserves and other deposits	979	7,045
Member advances	312	75
Regulatory credits	(2,804)	(1,549)
Accounts payable and other liabilities	16,867	(8,421)
NET CASH FROM OPERATING ACTIVITIES	$ 89,879	$ 83,380
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENTS OF NET POSITION		
Cash and cash equivalents - current assets	$ 43,427	$ 38,561
Cash and cash equivalents - restricted assets	57,635	65,435
End of year	$ 101,062	$ 103,996
NON-CASH TRANSACTIONS:		
Future recoverable/(refundable) costs	$ (7,791)	$ (11,797)
Amortization	(6,218)	(6,783)
Hydro swap change in fair value	3,504	(4,064)
Gain/loss on investments	(663)	(664)

NOTE A -- ORGANIZATION

The Agency Northern California Power Agency (Agency) was formed in 1968 as a joint powers agency of the State of California. The membership consists of twelve cities with publicly-owned electric utility distribution systems, one port authority, a transit authority, one public utility district, and one associate member. The Agency is generally empowered to purchase, generate, transmit, distribute, and sell electrical energy. Members participate in the projects of the Agency on an elective basis.

Various legal and tax considerations caused the Agency to provide that separate Special District Entities should be delegated by the Agency to own the geothermal electrical generating projects undertaken by the Agency ("the Associated Power Corporations"). The Associated Power Corporations, Northern California Municipal Power Corporations Nos. Two and Three, have delegated to the Agency the authority to construct, operate and manage their respective geothermal plants and related assets. The Agency, in return for financing the costs of acquisition and construction, acquires all the capacity and energy generated by the plants. See Note E – Projects and Related Financing.

The Agency is governed by a Commission comprised of one representative for each member. The Commission is responsible for the general management of the affairs, property, and business of the Agency. Under the direction of the General Manager, the staff of the Agency is responsible for providing various administrative, operating, and planning services for the Agency.

NOTE B -- SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting and Principles of Combination For accounting purposes, the Agency is a special-purpose governmental entity that is engaged in a business-type activity, principally as a supplier of wholesale electricity and transmission to its member participants. As such, the Agency's financial statements are presented as an enterprise type fund.

The records of the Agency and its Associated Power Corporations are maintained substantially in accordance with the Federal Energy Regulatory Commission (FERC) Uniform System of Accounts. Accounting principles generally accepted in the United States of America are applied by the Agency in conformance with pronouncements of the Governmental Accounting Standards Board (GASB). The combined financial statements encompass the Agency and Associated Power Corporations on an accrual accounting basis. All significant intercompany balances and transactions have been eliminated from the combined amounts reported.

Cash and Cash Equivalents Cash and cash equivalents include all debt instruments purchased with an original maturity of 90 days or less, all investments in the Local Agency Investment Fund (LAIF) and in the California Asset Management Program (CAMP), and cash maintained in interest-bearing depository accounts, which are fully insured or collateralized in accordance with state law. Cash balances may be invested in either overnight repurchase agreements, which are fully collateralized by U.S. Government Securities, or in money market funds invested in short-term U.S. Treasury Securities. The Agency commingles operating cash for investment purposes only. Separate detailed accounting records are maintained for each account's related investments. All cash of the Agency is held by either the Agency's custodian or its primary bank and revenue bond trustee.

Custodial credit risk for cash deposits is the risk that, in the event of the failure of a depository financial institution, the Agency will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. Under California Government Code Section 53651, depending on specific types of eligible securities, a bank must deposit eligible securities posted as collateral with its Agent having a fair value of 110% to 150% of the Agency's cash on deposit. All of the Agency's deposits are either insured by the Federal Depository Insurance Corporation (FDIC) or collateralized with pledged securities held in the trust department of the financial institutions.

Investments The Agency's investments are reported at fair value. Realized and unrealized gains and losses are included in interest income in the Statement of Revenue, Expenses and Changes in Net Position.

Accounts Receivable Accounts Receivable consists primarily of amounts due from participants and other governmental entities related to sales of energy and transmission. Amounts are deemed to be collectible and as such, no allowance for uncollectible accounts has been recorded.

Inventory and Supplies Inventory and supplies consist primarily of spare parts for the maintenance of plant assets and are stated at average cost.

Restricted Assets Cash and cash equivalents, investments and related accrued interest, which are restricted under terms of certain agreements, trust indentures or Commission actions limiting the use of such funds, are included in restricted assets.

Electric Plant Electric plant in service is recorded at historical cost. The cost of additions, renewals and betterments are capitalized; repairs and minor replacements are charged to operating expenses as incurred. The original cost of property retired, net of removal and salvage costs, is charged to accumulated depreciation. Depreciation expense is computed using the straight-line method over the estimated useful lives of the related assets. The provision for depreciation was approximately 0.2% of the average electric plant in service for the Agency during both 2019 and 2018. Depreciation is calculated using the following estimated lives:

Generation and Transmission	25 to 42 years
General Plant	5 to 25 years
Furniture and Fixtures	10 years
Transportation Equipment	5 years
Computer and Electronic Equipment	5 years

A summary of changes in electric plant for the year ended June 30, 2019 is as follows:

	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019
			(in thousands)	
Structures and Leasehold Improvements	$ 320,734	$ 9	$ -	$ 320,743
Reservoirs, Dams and Waterways	249,338	-	-	249,338
Equipment	759,264	1,601	(241)	760,624
Furniture and Fixtures	3,340	376	-	3,716
	1,332,676	1,986	(241)	1,334,421
Accumulated Depreciation	(973,466)	(30,844)	241	(1,004,069)
	359,210	(28,858)	-	330,352
Construction Work-In-Progress	182	-	-	182
Land and Land Rights	171,945	-	-	171,945
Electric Plant, Net	$ 531,337	$ (28,858)	$ -	$ 502,479

A summary of changes in electric plant for the year ended June 30, 2018 is as follows:

	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018
			(in thousands)	
Structures and Leasehold Improvements	$ 319,378	$ 1,356	$ -	$ 320,734
Reservoirs, Dams and Waterways	249,338	-	-	249,338
Equipment	758,026	1,400	(162)	759,264
Furniture and Fixtures	3,046	294	-	3,340
	1,329,788	3,050	(162)	1,332,676
Accumulated Depreciation	(942,713)	(30,915)	162	(973,466)
	387,075	(27,865)	-	359,210
Construction Work-In-Progress	821	75	(714)	182
Land and Land Rights	171,945	-	-	171,945
Electric Plant, Net	$ 559,841	$ (27,790)	$ (714)	$ 531,337

Construction Work-In-Progress Construction work-in-progress (CWIP) includes the capitalized cost of land, material, equipment, labor, interest (net of interest income), certain other financing costs incurred to facilitate the projects and an allocated portion of general and administrative expenses related to the development of electric plant. In addition, CWIP ultimately includes costs incurred during the test and start-up phase of projects prior to commencement of commercial operations.

Regulatory Assets/Credits In accordance with GASB Statement No. 62, the Agency has deferred certain items of expense and revenue that otherwise would have been charged to operations because it is probable that such items will be recovered in future years' operations. For items related to Net Pension and OPEB Liabilities, the Agency expects to recover these items through participant collections using the actuarially calculated amounts as represented in the respective annual and biennial actuarial valuation reports. For other regulatory items, the Agency expects to recover these items through participant collections over the term of the related debt obligations it has issued. On an ongoing basis, the Agency reviews its operations to determine the continued applicability of these deferrals under GASB Statement No. 62.

The items of expense that have been deferred are net pension and OPEB liabilities, asset retirement obligations and those originally paid from bond proceeds, including depreciation, certain bond amortizations, and interest paid from bond proceeds. These amounts are recorded to future recoverable amounts. Revenues used to acquire electric plant have also been deferred to future years. As of June 30, 2019 and 2018, the Agency had accumulated regulatory assets, net of regulatory credits, of approximately $138,959,000 and $143,599,000, respectively.

Investment in Associated Company Effective June 2018, the Agency invested $265,000 (20% interest) into Hometown Connections Inc. (a not-for-profit corporation) (HCI). HCI is a national service corporation that provides consulting, management and metering services to public power utilities on a national level. This investment is accounted for using the equity method of accounting.

Debt Related Costs Debt issuance costs are expensed as incurred. Excess costs on refunding of bonds are considered deferred outflows of resources as prescribed by GASB Statement No. 65 and amortized over the life of the refunding bonds, or the life of the refunded bonds, whichever is shorter. Amortization is computed using the effective interest method and included in interest expense.

Compensated Absences Accumulated unpaid compensated absences are accrued as the obligation is incurred. Compensated absences are included in accounts payable and accrued expenses.

Pensions For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions and pension expenses, information about the fiduciary net position of the Agency's CalPERS plan (Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Post Employment Benefits (OPEB) For purposes of measuring the net OPEB liability, deferred outflows/inflows of resources related to OPEB and OPEB expenses, information about the fiduciary net position of the Agency's California Employers' Retirement Benefit Trust (CERBT) Fund and additions to/deductions from Fund's fiduciary net position have been determined on the same basis as they are reported by CalPERS, the trust administrator. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Asset Retirement Obligations (ARO) For purposes of measuring the ARO liability, and deferred outflows of resources related to ARO, information about the estimated costs have been determined by utilizing third party projections. Cost estimates are adjusted for inflation or deflation on an annual basis. Factors relating to estimated asset retirement outlays are evaluated annually to determine if one or more factors are expected to result in a significant change and if an ARO should be remeasured as a result. Deferred outlflows of resources are reduced and recognized as an expense over the estimated life of the capital assets.

Long-Term Debt Long-term debt is stated net of unamortized discounts and premiums. Discounts and premiums are amortized over the term of the related obligation using the effective interest method. Amortization of debt discounts and premiums is included in total interest expense for the period. See Note E - Projects and Related Financing.

Operating Reserves The Agency has established various funded operating reserves, in accordance with various bond indentures, project agreements, and prudent utility practice, for anticipated periodic operating costs and related liabilities including, but not limited to, scheduled maintenance other than ordinary repairs and replacements. Certain amounts funded each year are charged to operating expense because the collections established by the Agency for power sales to its members include these costs on a prospective basis. Changes to operating reserve levels are periodically evaluated during the annual budgeting process. A non-project specific, individual participant controlled, general operating reserve is also maintained for participating Agency members.

Rates Power sales to participants for their resale include both power generated by operating plants and power purchased from outside sources. Collection rates for power sales are designed to recover costs that include budgeted annual operating costs and debt service. Additional amounts for operating reserves or rate stabilization may be included in collection rates under the terms of bond indentures. During fiscal years 2019 and 2018, no amounts were specifically collected for rate stabilization.

The Agency's collection rates for electric service are not subject to the regulatory jurisdiction of the California Public Utilities Commission (CPUC) or FERC. Rather, the Agency's rates are established annually in connection with its budget, which is approved by its governing Commission.

Power, Transmission and Fuel Forward Transactions In the normal course of its business, the Agency is required to manage loads, resources, and energy price risk on behalf of its members. Consequently, the Agency buys and sells power, transmission, and fuel in wholesale markets as required. The Agency does not enter into such agreements solely for trading purposes. All such transactions are normal purchases and sales subject to settlement at the agreed to contract prices for quantities delivered. While authorized to transact forward purchase contracts for terms of up to five years, forward contract purchases at fiscal year ended June 30, 2019 were for periods not greater than four years duration beyond the current fiscal year. In the event of default, undelivered transactions are required to be marked-to-market subject to the following limitations. If the Agency, as buyer, is the defaulting entity, the Agency's termination settlement amount is capped at the agreed to contract cost for all future undelivered commodities. If the selling counterparty is the defaulting entity, the seller's termination settlement is not capped for all future undelivered commodities. The defaulting entity is also subject to resultant transmission charges, brokerage fees, attorney fees, and all other reasonable expenses. See Note H - Commitments and Contingencies, Power Purchase Contracts.

Fair Values of Financial Instruments The following methods and assumptions were used by the Agency in estimating its fair value disclosures for financial instruments:

Cash and Cash Equivalents - The carrying amount reported in the statements of net position for cash and cash equivalents approximates its fair value.

Investments - The fair values for investments are based on quoted market prices and significant other observable inputs. See Note C - Investments.

Swaps - The fair values take into consideration the prevailing interest rate environment, the specific terms and conditions of a given transaction, and any upfront payments that were received. All fair values were estimated using the zero-coupon discounting method. This method calculates the future payments required by the swap, assuming that the current forward rates implied by the yield curve are the market's best estimate of future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for a hypothetical zero-coupon rate bond due on the date of each future net settlement on the swaps. While the current net mark-to-market values are negative, this valuation would be realized only if the swaps were terminated at the valuation date.

Net Position The Agency classifies its net position into three components; invested in capital assets, restricted, and unrestricted. These classifications are defined as follows:

Net Investment in Capital Assets - This component consists of capital assets, net of accumulated depreciation reduced by outstanding debt balances, net of unspent bond proceeds.

Restricted - This component consists of net position with constraints placed on their use. Constraints include those imposed by debt indentures and other agreements; grants, laws and regulations of other governments or by the Agency's governing Board of Commissioners.

Unrestricted - This component consists of net position that does not meet the definition of "net investment in capital assets" or "restricted".

The Agency and the Associated Power Corporations are intended to operate on a not-for-profit basis. Therefore, any balance of net position represents differences between total revenues collected, using collection rates based on estimated operating expenses and debt service, and the total actual expenses incurred. In subsequent periods of operation, excess collections (net of encumbrances) that the participating members do not direct be held by or released to the Agency, are refunded to the participating members. Estimated encumbrances at June 30, 2019 and 2018 were $1,857,000 and $2,452,000, respectively. In the event the Agency incurs a negative net position balance, the balance would be subject to recovery in collection rates under the terms of the related take-or-pay member agreements. See Note E – Projects And Related Financing.

Deferred Outflows and Inflows of Resources The statement of financial position includes a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred Outflows of Resources consist of excess cost on refunding of debt, pension and OPEB deferrals and asset retirement obligations. Pension contributions made in the current year are reported as deferred outflows of resources as the CalPERS' valuation measurement date is June 30, 2017; those contributions were expensed in fiscal year 2019.

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period(s) and will be recognized as revenue at that time. The Agency's deferred inflows of resources are comprised of regulatory credits intended to offset the effects of the collection rate process, pension and OPEB deferrals projected in the pension and OPEB actuarial reports and funds advanced for asset retirement obligations.

Recent Accounting Pronouncements In March 2018, GASB issued Statement No. 88, *Certain Disclosures Related to Debt including Direct Borrowings and Direct Placements*, effective for financial statements for years beginning after June 15, 2018. The Agency elected to adopt this statement as of July 1, 2017. This statement requires the Agency to add additional note disclosures for debt, including direct borrowings and direct placements.

In November 2016, GASB issued Statement No. 83, *Certain Asset Retirement Obligations*, effective for financial statements for years beginning after June 15, 2018. This statement requires governments to recognize a liability for legal obligations to perform future asset retirement activities related to tangible capital assets.

Accounting Pronouncements Effective in Future Fiscal Years

- **GASB Statement No. 84** – In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. The objective of the Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The Statement is effective for the periods beginning after December 15, 2018, or fiscal year 2020. The Agency has not determined the effect of the statement.

- **GASB Statement No. 87** – In June 2017, GASB issued Statement No. 87, *Leases*. The objective of the Statement is to recognize in the Financial Statements certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The Statement is effective for the periods beginning after December 15, 2019, or the fiscal year 2021. The Agency has not determined the effect of the statement.

- **GASB Statement No. 89** – In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objective of the Statement is (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The Statement is effective for the periods beginning after December 15, 2019, or fiscal year 2021. The Agency has not determined the effect of the statement.

- **GASB Statement No. 90** – In August 2018, GASB issued Statement No. 90, *Majority Equity Interest*. The objective of the Statement is to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The Statement is effective for the periods beginning after December 15, 2018, or fiscal year 2020. The Agency has not determined the effect of the statement.
- **GASB Statement No. 91** – In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. The objective of the Statement is to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The Statement is effective for the periods beginning after December 15, 2020, or fiscal year 2022. The Agency has not determined the effect of the statement.

Use of Estimates in the Preparation of Financial Statements The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications Certain reclassifications have been made to the prior year financial statements to conform to the current year presentation. Such reclassifications had no effect on net position.

NOTE C -- INVESTMENTS

The Agency is authorized to invest in obligations of the U.S. Government and its agencies and instrumentalities, in certificates of deposit, commercial paper, banker's acceptances, repurchase agreements, passbook savings account demand deposits, municipal bonds, the State Treasurer's LAIF pool, mid-term corporate notes, and in other instruments authorized by applicable sections of the Government Code of the State of California. The Agency's investments are stated at fair value.

The Agency's investment policy requires investments that assure safety of the principal, liquidity to meet specific obligations of the Agency when due, and investment quality all in compliance with California State law and the Agency's revenue bond indentures. Generally, operating and reserve funds investment maturities are limited to one and five years, except for Geothermal Decommissioning Reserve and debt service reserve funds, which are allowed maturities up to ten years and fifteen years, respectively. All U.S. Government and U.S. Government Agency securities held by the Agency are either in effect or actually AA rated.

All securities owned by, or held on behalf of, the Agency are held by either the Agency's custodian, Union Bank of California, N.A., or its revenue bond trustee, U.S. Bank Trust, N.A.

The Agency's investment policy includes restrictions for investments relating to maximum amounts invested as a percentage of the portfolio and with a single issuer, maximum maturities, and minimum credit ratings.

Credit Risk To mitigate the risk that an issuer will not fulfill its obligation to the investment, the Agency limits investments to those rated, at a minimum, A or equivalent for long/medium term notes by a nationally recognized statistical rating organization. Investments in corporate bonds are limited to the top three ratings issued by nationally recognized statistical rating organizations and all investments must be investment grade. Credit rating ranges for medium term corporate notes as of June 30, 2019 and 2018 are listed below:

Nationally Recognized Statistical Rating Agency	Credit Rating Range
Standard & Poor's	A-/AAA
Moody's	NR/Aaa

Custodial Credit Risk This is the risk that in the event of a failure of a depository financial institution, the Agency's deposits may not be returned or the Agency will not be able to recover its deposits, investments, or collateral securities that are in the possession of another party. The Agency's policy mitigates this risk by requiring transactions with approved institutions and firms that have one or more of the following attributes: recognized as a primary government dealer as designated by the Federal Reserve Bank; regional broker/dealer headquartered in the State of California; national or state chartered bank that must be a member of the FDIC; direct issuer of securities eligible for purchase by the Agency; brokers and dealers qualify under SEC Rule 15C3-1 (Uniform Net Capital Rule), must be registered with the Financial Industry Regulatory Authority (FINRA) and must be licensed to do business in the State of California. Capitalization, credit worthiness, experience, reference checks and services offered criteria are evaluated when selecting a custodian.

Concentration of Credit Risk This is the risk of loss attributed to the magnitude of an entity's investment in a single issuer. The investment policy of the Agency contains no limitations on the amount that may be invested in any one issuer beyond that stipulated by the California Government Code. Investments in any one issuer (other than mutual funds and external investment pools) that represent 5% or more of total Agency investments include the following at June 30, 2019 and June 30, 2018.

Concentration of Credit Risk, June 30, 2019

Issuer:	Investment Type	Reported Amount	Percentage of Portfolio
Federal National Mortgage Association	Federal Agency	16,189,353	8.2%
Federal Home Loan Mortgage Corp.	Federal Agency	35,727,746	18.2%
Federal Farm Credit Bank	Federal Agency	31,207,530	15.9%
Federal Home Loan Bank	Federal Agency	48,928,948	24.9%

Concentration of Credit Risk, June 30, 2018

Issuer:	Investment Type	Reported Amount	Percentage of Portfolio
Federal National Mortgage Association	Federal Agency	44,194,177	23.2%
Federal Home Loan Mortgage Corp.	Federal Agency	37,424,182	19.6%
Federal Farm Credit Bank	Federal Agency	32,732,318	17.2%
Federal Home Loan Bank	Federal Agency	42,506,166	22.3%

Interest Rate Risk Interest rate risk is the risk that changes in market interest rates may adversely affect the fair value of an investment. The Agency manages its exposure to interest rate risk by following a hold-to-maturity investment approach for some investments, purchasing a combination of shorter and longer term investments, and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. In addition, the Agency periodically rebalances larger fund portfolios to maintain the appropriate rate of return through market cycles; such rebalances are performed only in instances when the result of the rebalance transaction is a net gain.

The following tables reflect the carrying and fair values and the weighted average maturity in years for the Agency's investment portfolios for fiscal years ended June 30, 2019 and 2018, respectively.

Investments at June 30, 2019 Description	Carrying Value	Fair Value	Wtd.Avg Maturity (In years)
	(in thousands)		
U.S. Agencies	$ 132,128	$ 132,054	2.34
U.S. Treasury	2,323	2,325	0.17
Corporate Bonds	60,984	62,439	3.29
TOTAL INVESTMENTS	$ 195,435	$ 196,818	

Investments at June 30, 2018 Description	Carrying Value	Fair Value	Wtd. Avg Maturity (In years)
	(in thousands)		
U.S. Agencies	$ 160,079	$ 156,857	2.12
U.S. Treasury	1,594	1,591	0.45
Corporate Bonds	32,685	32,345	4.29
TOTAL INVESTMENTS	$ 194,358	$ 190,793	

NOTE D -- FAIR VALUE MEASUREMENT

In accordance with GASB 72, Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). Fair value is a market-based measurement for a particular asset or liability based on assumptions that market participants would use in pricing the asset or liability.

Valuation inputs are assumptions that market participants use in pricing an asset or liability. The hierarchy of inputs used to generate the valuation is classified into three different Levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities at the measurement date.
- Level 2 inputs include quoted prices for similar assets or liabilities in markets that are active; quoted prices for identical or similar assets or liabilities in markets that are not active; and inputs other than quoted prices that are observable for an asset, either directly or indirectly.
- Level 3 inputs are unobservable inputs from the asset or liability where there is very little market activity and they should be used only when relevant Level 1 and Level 2 inputs are unavailable.

The Agency's fair value measurements are performed on a recurring basis. Because investing is not a core part of the Agency's mission, the Agency determines that the disclosures related to these investments only need to be disaggregated by major type. The fair value of swaps reflect the nonperformance risk of their client counterparty relating to that liability, and the nonperformance risk of the bank counterparty relating to that asset.

Fair Value of Investments under GASB 72 – Debt and other securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Level 2 Securities are valued using a multi-dimensional relationship model or matrix pricing model utilizing market data including, but not limited to, benchmark yields, reported trades, and broker/dealer quotes.

Fair Value of Swaps under GASB 72 – Fair values take into consideration the prevailing interest rate environment and the specific terms and conditions of a given transaction. The valuations of derivatives transactions provided are indicative values based on mid-market levels as of June 30, 2019. These valuations do not represent the actual terms at which new transactions could be entered into or the actual terms at which existing transactions could be liquidated. The valuations provided are derived from proprietary models based upon well-recognized financial principles and reasonable estimates about relevant future market conditions for interest rate swaps. The observability of inputs used to perform the measurement results in the swap fair values being categorized as Level 2.

The Agency has the following fair value measurements as of June 30, 2019:

		Fair Value Using (thousands)		
	June 30, 2019	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Investments by fair value level				
Debt Securities				
U.S agencies	$ 132,054	$ 35,434	$ 96,620	$ -
U.S treasury	2,325	2,325	-	-
Corporate Bonds	62,439	-	62,439	-
Total debt securities	196,818	37,759	159,059	-
Total investments by fair value level	$ 196,818	$ 37,759	$ 159,059	$ -
Derivative Instruments by fair value level				
Swap liability instruments	$ (14,613)	$ -	$ (14,613)	$ -
Total Derivative Instruments by fair value level	$ (14,613)	$ -	$ (14,613)	$ -

The Agency had the following fair value measurements as of June 30, 2018:

		Fair Value Using (thousands)		
	June 30, 2018	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Investments by fair value level				
Debt Securities				
U.S agencies	$ 156,857	$ 34,810	$ 122,047	$ -
U.S treasury	1,591	1,591	-	-
Corporate Bonds	32,345	-	32,345	-
Total debt securities	190,793	36,401	154,392	-
Total investments by fair value level	$ 190,793	$ 36,401	$ 154,392	$ -
Derivative Instruments by fair value level				
Swap liability instruments	$ (11,109)	$ -	$ (11,109)	$ -
Total Derivative Instruments by fair value level	$ (11,109)	$ -	$ (11,109)	$ -

NOTE E -- PROJECTS AND RELATED FINANCING

Financing Programs The Agency's project construction and development programs have been individually financed by project revenue bonds that are collateralized by the Agency's assignment of all payments, revenues, and proceeds associated with its interest in each project. Each project participant has agreed to pay its proportionate share of debt service and other costs of the related project, notwithstanding the suspension, interruption, interference, reduction or curtailment of output from the project for any reason (that is, the take-or-pay member agreements).

	Balance July 1, 2018	Additions	Retirements	Balance June 30, 2019	Current Portion
			(in thousands)		
Geothermal Project					
2009 Series A - Original Issue Amount $35,610 Serial, 4.00-5.50% through 2025	$ 5,220	$ -	$ 2,545	$ 2,675	$ 2,675
2012 Series A - Original Issue Amount $12,910 Term, 2.289% due 2023	6,285	-	1,340	4,945	1,375
2016 Series A - Original Issue Amount $17,530 Term, 1.670% due 2024	17,265	-	365	16,900	370
	28,770	-	4,250	24,520	4,420
Hydroelectric Project - Original Issue Amount $195,610					
1992 Refunding Series A Term, 6.30% due 2019	12,155	-	12,155	-	-
2008 Refunding Series A - Original Issue Amount $85,160 Term, adjustable rate-weekly reset, due 2033	85,160	-	-	85,160	1,520
2008 Refunding Series B (Taxable) - Original Issue Amount $3,165 Term, adjustable rate-weekly reset, due 2021	1,235	-	1,235	-	-
2010 Refunding Series A - Original Issue Amount $101,260 Serial, 4.00-5.00% through 2024	62,975	-	62,975	-	-
2012 Refunding Series A - Original Issue Amount $76,665 Serial, 5.00% through 2033	76,665	-	-	76,665	-
2012 Refunding Series B - Original Issue Amount $7,120 Serial, 4.32% through 2025	7,120	-	-	7,120	-
2018 Refunding Series A – Original Issue Amount $68,875 Serial, 5.00% through 2025	68,875	-	-	68,875	8,885
2018 Refunding Series B - Original Issue Amount $1,340 Serial, 4.32% through 2025	1,340	-	-	1,340	1,340
2019 Refunding Series A - Original Issue Amount $39,250 Serial, 4.00-5.00% through 2025	-	39,250	-	39,250	940
Add: Unamortized Premium, net	15,742	3,908	3,122	16,528	-
Total Hydroelectric Project	$ 331,267	$ 43,158	$ 79,487	$ 294,938	$ 12,685

	Balance July 1, 2018	Additions	Retirements	Balance June 30, 2019	Current Portion
Capital Facilities Project – Original Issue Amount $55,120					
2010 Refunding Series A					
Serial, 2.00-5.25% through 2026	$ 33,640	$ -	$ 3,995	$ 29,645	$ 4,195
Add: Unamortized Premium	582	-	162	420	-
Total Capital Facilities Project	34,222	-	4,157	30,065	4,195
Lodi Energy Center, Issue One					
2010 Series A - Original Issue Amount $78,330					
Serial, 3.00-5.00% through 2020	12,125	-	5,915	6,210	6,210
2010 Series B (Federally Taxable - Direct Payment Build					
America Bonds) - Original Issue Amount $176,625					
Term, 7.311% due 2040	176,625	-	-	176,625	-
Lodi Energy Center, Issue Two					
2010 Series A - Original Issue Amount $30,540					
Serial, 3.00-5.00% through 2019	4,960	-	4,960	-	-
2010 Series B (Federally Taxable - Direct Payment Build					
America Bonds) - Original Issue Amount $110,225					
Term, 4.63% due 2020	5,210	-	-	5,210	5,210
Term, 5.679% due 2035	105,015	-	-	105,015	-
Lodi Energy Center, Issue One					
2017 Series A – Original Issue Amount $38,970					
Serial, 2.70% through 2025	38,635	-	605	38,030	620
Add: Unamortized Premium	103	-	103	-	-
Total Lodi Energy Center Project	342,673	-	11,583	331,090	12,040
Total Long-Term Debt, Net	$ 736,932	$ 43,158	$ 99,477	$ 680,613	$ 33,340

Debt service requirements for each of the next five years and in five-year cumulative increments thereafter as of June 30, 2019:

	Revenue Bonds		Notes from Direct Placements		
	Principal	Interest	Principal	Interest	Total
			(in thousands)		
2020	$ 30,975	$ 35,603	$ 2,365	$ 1,251	$ 70,194
2021	30,580	34,426	11,745	1,199	77,950
2022	31,865	32,570	12,005	951	77,391
2023	33,485	30,601	11,505	698	76,289
2024	39,240	28,408	11,005	464	79,117
2025-2029	168,190	111,577	11,250	235	291,252
2030-2034	174,935	62,787	-	-	237,722
2035-2039	78,545	22,090	-	-	100,635
2040	15,975	1,168	-	-	17,143
Add: Unamortized Bond Premium	16,948	-	-	-	16,948
	$ 620,738	$ 359,230	$ 59,875	$ 4,798	$ 1,044,641

Interest includes interest requirements for fixed rate debt at their stated rate and variable rate debt covered by interest rate swaps at their fixed swap rate.

Changes in long-term debt obligations for the year ended June 30, 2019, are as follows:

	Balance at July 1, 2018	Increases	Decreases	Balance at June 30, 2019	Due Within One Year
		(in thousands)			
Revenue bonds	$ 658,320	$ 39,250	$ 93,780	$ 603,790	$ 30,975
Notes from direct placements	62,185	-	2,310	59,875	2,365
Add: Unamortized Premium, net	16,427	3,908	3,387	16,948	-
Total	$ 736,932	$ 43,158	$ 99,477	$ 680,613	$ 33,340

The Agency's outstanding notes from direct placements of $59,875 contain provisions that in an event of default, outstanding amounts become immediately due if (1) the Agency is unable to pay the principal or interest when due, (2) files bankruptcy or becomes insolvent, or (3) S&P issues a downgrade below "BBB-."

Redemption Provisions As set forth in the bond indentures, the term bonds are subject to redemption prior to maturity in varying amounts at specific dates. At the option of the Agency, the bonds are also subject to early redemption at specific redemption prices and dates.

Defeased Debt Various bond refundings were undertaken to defease debt and realize future debt service savings. Debt was defeased by using the proceeds of the refunding issues and other available monies to irrevocably place in trust cash and U.S. Government Securities, which together with interest earned thereon, will be sufficient to pay both the interest and the appropriate maturity or redemption value of the refunded bonds as required. Detailed information about the refunding transactions follow.

On April 2, 2019, the Agency issued Hydroelectric Project Number One Revenue Bonds, 2019 Refunding Series A, in the amount of $39,250,000 with an average interest rate of 4.9126% to refund $52,845,000 of outstanding Hydroelectric Project Number One Revenue Bonds, 2010 Refunding Series A with an average interest rate of 4.9003%. The net proceeds were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the old bonds. As a result, the old bonds are considered defeased and the liability for that portion of the old bonds has been removed from the statement of net position.

The cash flow requirements on the old bonds prior to the refunding was $52,959,312 from July 1, 2018 through July 1, 2023. The cash flow requirements on the new bonds are $44,871,942 from July 1, 2018 through July 1, 2023. The refunding resulted in an economic gain of $3,616,515.

On April 4, 2018, the Agency issued Hydroelectric Project Number One Revenue Bonds, 2018 Refunding Series A and B, in the amount of $70,215,000 with an average interest rate of 4.9839% to refund $77,130,000 of outstanding Hydroelectric Project Number One Revenue Bonds, 2008 Refunding Series C with an average interest rate of 4.9958%. The net proceeds were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the old bonds. As a result, the old bonds are considered defeased and the liability for that portion of the old bonds has been removed from the statement of net position.

The cash flow requirements on the old bonds prior to the refunding was $92,246,125 from July 1, 2018 through July 1, 2024. The cash flow requirements on the new bonds are $83,907,340 from July 1, 2018 through July 1, 2024. The refunding resulted in an economic gain of $7,759,171.

On December 20, 2017, the Agency issued Lodi Energy Center Revenue Refunding Bonds, Issue One 2017 Series A, in the amount of $38,970,000 with an average interest rate of 2.2700% to advance refund $36,020,000 of outstanding Lodi Energy Center Revenue Bonds, Issue One, 2010 Series A with an average interest rate of 4.9400%. The net proceeds were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the old bonds. As a result, the old bonds are considered defeased and the liability for that portion of the old bonds has been removed from the statement of net position.

The cash flow requirements on the old bonds prior to the advance refunding was $46,101,000 from June 1, 2018 through June 1, 2025. The cash flow requirements on the new bonds are $43,691,674 from June 1, 2018 through June 1, 2025. The refunding resulted in an economic gain of $2,215,579.

Accordingly, some of these defeased debt issues have been considered extinguished for financial reporting purposes. At year-end, the following defeased debt remained outstanding:

		2019	2018
		(in thousands)	
Hydroelectric:	Project No. One, 1985 Series A	$ 12,150	$ 12,150
	Project No. One, 1986 Series A	31,360	31,360
	Project No. One, 2008 Series C	-	77,130
	Project No. One, 2010 Series A	52,845	-
		96,355	120,640
LEC:	Issue One, 2010 Series A	36,020	36,020
	Total Defeased Debt Outstanding	$ 132,375	$ 156,660

Geothermal Project In addition to a federal geothermal leasehold, steam wells, gathering system and related facilities, the project consists of two electric generating stations (Plant 1 and Plant 2) with combined 165 MW (nameplate rating) turbine generator units utilizing low temperature geothermal steam; associated electrical, mechanical and control facilities; a heat dissipation system; a steam gathering system, a transmission tap-line, and other related facilities. Geothermal steam for the project is derived from the geothermal property, which includes well pads, access roads, steam wells and re-injection wells.

Hydroelectric Project The Agency contracted to finance, manage, construct, and operate Hydroelectric Project Number One for the licensed owner, Calaveras County Water District. In exchange, the Agency has the right to the electric output of the project for 50 years from February 1982. The Agency also has an option to purchase power from the project in excess of the District's requirements for the subsequent Federal Energy Regulatory Commission project license term of 30 to 50 years.

As part of a refinancing plan in November 2004, the Agency entered into two forward starting interest rate swaps in an initial notional amount of $85,160,000 and $1,574,000. Payments under the swap agreements with Citigroup Financial Products, Inc. began on April 2, 2008. To complete the refinancing transaction and realize the debt service savings under the 2004 swap agreement, on April 2, 2008 the Agency completed a bond refunding of 2023 to 2032 maturities of the 1998 Hydroelectric Refunding Series A bonds. These fixed rate bonds were refinanced through the issuance of tax-exempt 2008 Hydroelectric Refunding Series A ($85,160,000) bonds and taxable 2008 Hydroelectric Refunding Series B ($3,165,000) bonds. Both issues were variable interest rate bonds bearing interest at weekly interest rates, payable semi-annually on July 1 and January 1 each year.

To support this financing, the Agency entered into two irrevocable direct pay letter of credit agreements with Citibank that have since expired, being substituted with letters of credit with the Bank of Montreal in 2014. On April 30th 2019, the Agency terminated the 2008 Hydroelectric, Series B swap with Citigroup, and on May 14th, the outstanding principal of $910,000 on the 2008 Hydroelectric, Series B bonds was called for redemption. On June 24th, 2019 the agency completed a Letter of Credit substitution for the 2008 Hydroelectric, Series A bonds replacing the Bank of Montreal with Bank of America. The Letter of Credit expires on June 21, 2024.

The payment of principal and interest on the outstanding 2008 Hydroelectric Refunding Series A ($85,160,000) bonds are not covered by any financial guaranty insurance policies. This 2008 Hydroelectric Refunding and the associated interest rate swaps are estimated to have reduced project debt service by $11.8 million over the next 24 years providing the Agency with an estimated economic gain (difference between the present values of the old and new debt service payments) of approximately $5.9 million.

The remaining swap for the 2008 Hydroelectric Refunding Series A ($85,160,000) is a separate pay-fixed, receive-variable interest rate swap to produce savings or to result in lower costs over the life of the transaction than what the Agency would have paid using fixed-rate debt. While the swap is a derivative instrument and carries additional risks, the Agency's swap policy and favorable negotiations have helped to reduce such risks.

	2008 Hydroelectric Refunding Revenue Bonds Forward Starting Swaps	
Associated Interest Rate Swaps starting April 2, 2008	Series A	Series B (Taxable)
Counterparty to Interest Rate Swap	Citigroup Financial Products Inc.	Citigroup Financial Products Inc.
Notional Value of Interest Rate Swap	$ 85,160,000	$ 0
Fair Value--Due from (to) Counterparty	$(14,613,128)	$ 0
Credit Downgrade Required Collateral Posting:		
For Counterparty, Fair Value Above	$10 million	$10 million
If S&P or Moody's Credit Rating falls to	A-/A3 and BBB-/Baa3	A-/A3 and BBB-/Baa3
For Agency (Credit of Agency's Insurer National Public Finance Guarantee formerly MBIA and NCPA credit), Fair Value Above	$10 million	$10 million
If S&P or Moody's Credit Rating falls to	A+/A1	A+/A1
Termination Date	July 1, 2032	June 24, 2019

	Terms	Rates	Terms	Rates
Payments to (from) Counterparty	Fixed	3.819 %	Fixed	(0.000)%
Variable Payments (from) to Counterparty	54% LIBOR+.54%*	(1.830)%	100% of LIBOR*	0.000 %
Net Interest Rate Swap Payments		1.989 %		(0.000)%
Variable-Rate Bond Payments	SIFMA**	1.277 %	SIFMA**	0.000 %
Effective Interest Rate on Bonds		3.266 %		(0.000)%

Average to Date: *1-Month London Inter-Bank Offered Rate
**Securities Industry and Financial Market Association Municipal Swap Index (formerly the Bond Market Association Municipal Swap Index)

The total fair value of outstanding swap instruments was a net liability of $14,613,000 and $11,109,000 at June 30, 2019 and June 30, 2018, respectively. These amounts are reported as a non-current liability. The interest rate swaps beginning in FY 2013 are both ineffective hedges and considered investment derivative instruments. The change in fair value was $3.5 million and $4.1 million for years ended June 30, 2019 and 2018, respectively and are recorded as interest expense in the Statement of Revenues, Expenses, and Changes in Net Position. The net settlement payments of interest on these investment derivative instruments total $1.6 million and $2.0 million, which is recorded as interest expense in the Statement of Revenues, Expenses, and Changes in Net Position for FY 2019 and FY 2018, respectively. The value of the swaps noted above reflects the estimated fair value of the swaps at June 30, 2019 and 2018 as determined by the Agency's financial advisor. The fair value of the swaps will change due to notional amount, amortizations, and interest rate changes.

The following swap agreement risks are common to all the interest rate swaps. The interest rate swaps expose the Agency to basis risk should the relationship between LIBOR and SIFMA converge, changing the synthetic rate on the bonds. If a change occurs that results in the rates moving to convergence, the expected cost savings of the swap may not be realized. The Agency is exposed to interest rate risk on its pay-fixed, receive variable interest rate swaps. Interest rate risk is the risk that changes in interest rates will adversely affect the fair values of the Agency's financial instruments or cash flows. As the LIBOR or SIFMA swap index decreases, the Agency's net payment on swaps increases. In addition, the Agency is exposed to interest rate risk if the counterparty to the swap defaults or if the swap is terminated. The Agency is also exposed to market access risk, the risk that it will not be able to enter credit markets or that credit will become more costly. The Agency's financial rating is tied to the credit strength of the major participants of the specific project for which each financial instrument is issued. The Agency is also exposed to market access risks caused by disruptions in the municipal bond market.

To mitigate the potential for credit risk, the swap counterparties are required by the agreement to post collateral should the fair value exceed certain thresholds as shown above. At June 30, 2019, credit ratings of the counterparties to the swaps were as follows:

Swap Counterparty & Agency's Insurer	Standard & Poor's	Moody's
Citigroup Financial Products Inc.	A+	Aa3
National Public Finance Guarantee formerly MBIA (the Agency's insurer)	NR	Baa2

The swaps utilized the International Swap Dealers Association (ISDA) Master Agreement, which includes standard termination events, such as failure to pay and bankruptcy. However, an additional provision under the Schedule to the ISDA Master Agreement allows the swap to be terminated by the Agency if the counterparty's credit rating falls below A- by Standard & Poor's or A3 by Moody's. If a swap is terminated, the applicable bonds would no longer carry a synthetic fixed interest rate. In addition, if a swap has a negative fair value at the time of an early termination, the Agency would be liable to the counterparty for a payment equal to the swap's fair value.

Combustion Turbine Project The original project consisted of five combustion turbine units, each nominally rated at approximately 25 megawatts. Concurrent with the final project bond maturity, two units located in Roseville were acquired by an Agency member. The remaining project consists of two units in Alameda and one in Lodi. The project provides capacity during peak load periods and emergency capacity reserves. Excess capacity and energy from the project are also sold to other entities from time to time.

Capital Facilities Project The project consists of one 49.9 megawatt natural gas-fired steam injected combustion turbine generator unit located in Lodi, California. Wastewater is reclaimed from the City of Lodi's White Slough water pollution control facility, processed to eliminate contaminants, and heated to steam and used in the turbine to produce augmented power and emissions control.

Lodi Energy Center (LEC) The project is a 296 MW base load, combined cycle, natural gas-fired, combustion turbine generating station (one gas turbine and one steam turbine) located in Lodi, California, next to the Capital Facilities Project discussed above. Pursuant to the Lodi Energy Center Power Sales Agreement, the Agency agreed to operate the LEC and has sold all of the capacity and energy of the LEC to thirteen participants (including four non-members) in accordance with their respective Generation Entitlement Shares (GES). Each participant has agreed to unconditionally provide for its share of the operation and maintenance expenses and all capital improvements based on its GES. The LEC will be operated and maintained by the Agency under the direction of the LEC Project Management and Operations Agreement among the Agency and the LEC Project Participants.

Lodi Energy Center Revenue Bonds, Issue One provided financing for 11 project participants with 55.7857% GES. Lodi Energy Center Revenue Bonds, Issue Two provided financing for the California Department of Water Resources 33.5% GES. The Modesto Irrigation District elected to provide its own financing for its 10.7143% GES of the costs of construction of the project. Modesto Irrigation District is not liable for any Agency debt service obligations for the project.

The Issue One Series B and the Issue Two Series B bonds were issued as Taxable Subsidy Bonds constituting Build America Bonds (BABs) for the purposes of the American Recovery and Reinvestment Act of 2009. The Act provides for a direct payment to the Agency from the federal government equal to 35% of the interest costs. The direct payment was reduced by 6.2% in 2019 and 2018 due to federal government budget sequestration. Such payments may continue to be affected by sequestrations.

NOTE F – ASSET RETIREMENT OBLIGATION

NCPA constructed and operates generating plants, transmission, and other tangible assets that are used to provide its members with a portion of their power needs. For some of those assets, there are legally enforceable liabilities that require removal, disposal, remediation and other activities associated with their future retirement or with the termination of leases and licenses. The Agency has recognized Asset Retirement Obligations for those future asset retirement activities.

Restatement of Prior Year Balances

FY 2018 balances have been restated for the effect of implementation of GASB Statement No. 83, *Certain Asset Retirement Obligations*. The Agency has restated its previously reported amounts for the year ended June 30, 2018 and the impact of the restatement are as follows:

	Year ended June 30, 2018 (in thousands)		
	As restated	As previously reported	Restatement
Deferred Outflows – Asset Retirement Obligations	$ 62,204	$ -	$ 62,204
Operating Reserves and Other Deposits	(126,239)	(144,406)	18,167
Non-current Liabilities – Asset Retirement Obligations	(63,713)	-	(63,713)
Deferred Inflows – Regulatory Credits	(87,548)	(70,890)	(16,658)
Operating Revenues - Participants	(383,271)	(381,762)	(1,509)
ARO Expense	1,509	-	1,509

Geothermal Plant Decommissioning

The Agency developed the geothermal project (the "Geothermal Project") located on federal land in certain areas of Sonoma and Lake Counties, California (the "Geysers Area"). In addition to the geothermal leasehold, wells, gathering system and related facilities, the Geothermal Project consists of two electric generating stations (Plant 1 and Plant 2), with combined 165 MW (nameplate rating) turbine generator units utilizing low pressure, low temperature geothermal steam, associated electrical, mechanical and control facilities, a heat dissipation system, a steam gathering system, a transmission tapline and other related facilities. Geothermal steam for the project is derived from the geothermal property, which includes wellpads, access roads, steam wells and reinjection wells.

Steam for NCPA's geothermal plants comes from lands in the Geysers Area, which are leased by NCPA from the federal government. NCPA operates these steam-supply areas. Operation of the geothermal plants at high generation levels, together with high steam usage by others in the same area, resulted in a decline in the steam production from the steam wells at a rate greater than expected. As a result, NCPA partnered with other geothermal operators in the Geysers Area to finance and construct the Southeast Geysers Effluent Pipeline Project, which was completed in September 1997 and began operating soon thereafter. With the reduced rate of steam production decline, the useful life of the plant and associated tangible assets is projected through fiscal year 2059.

Under terms of the federal geothermal leasehold agreements, which became effective August 1, 1974, the leasehold had a 10-year primary term with provision for renewal as long thereafter as geothermal steam is produced or utilized, but not longer than 40 years. At the expiration of that period, if geothermal steam was still being produced, NCPA had a preferential right to renew the leasehold for a second term. In 2013, NCPA renewed the leasehold. The leasehold also requires NCPA to remove its leasehold improvements including the geothermal plants and steam gathering system when and if NCPA abandons the leasehold. Additionally, the United States Department of the Interior and Bureau of Land Management State issued the License for Electric Power Plant Site Utilizing Geothermal Resources. The license requires that NCPA remove all structures, machinery, and other equipment and restore the land within one year following the termination of the license.

The Agency authorized a decommissioning study for the Geothermal Project, and Black and Veatch provided that study to NCPA in December 2016. The study included detailed cost estimates totaling approximately $59.3 million (figures compiled prior to fiscal year 2016) for all retirement obligation activities. The study also projected the costs through 2020 using an Extrapolation Escalation Methodology for the following categories: 1) direct labor and subcontract costs less salvage value; 2) indirect costs; 3) construction equipment; 4) engineering and construction management; 5) and contingency. NCPA personnel then calculated the effective change between the escalated 2016 base and 2020 escalated costs to develop a composite escalation rate and assumed that the escalation rate was applicable evenly for each of the five years beginning in 2016; the resulting calculated annual escalation factor was 2.26%. The estimated retirement obligation costs for years ended June 30, 2019 and 2018 are $64,820,000 and $63,387,189, respectively. The annual retirement expense for years ended June 30, 2019 and 2018 are $1,544,165 and $1,509,219, respectively.

NCPA has been collecting monies to pay the expected decommissioning costs since 2007 and holds $20.2 million in a restricted reserve for such purpose as of June 30, 2019. The initial ARO recognition included a reclassification of that reserve from a liability to the members to a deferred inflow that will be reduced as the decommissioning costs are funded in the future.

Lodi Energy Center and Capital Facilities Project Well Plugging

The agency owns and operates the Lodi Energy Center (LEC) and Capital Facilities projects located in Lodi, California.

The Lodi Energy Center is a 296 megawatt base load, combined cycle, natural gas-fired, combustion turbine generating station (one gas turbine and one steam turbine). The electric generation components (the "Power Island") of the Lodi Energy Center consists of the following components: (1) one natural gas-fired Siemens STGS-5000F combustion turbine-generator (CTG), with an evaporative cooling system and dry low-NOx combustors to control air emissions; (2) one 3-pressure heat recovery steam generator (HRSG), (3) a selective catalytic reduction (SCR) and carbon monoxide ("CO") catalyst to further control NOx and CO emissions, respectively; (4) one Siemens SST-900RH condensing steam turbine generator ("STG"); (5) one natural gas-fired auxiliary boiler; (6) one 7-cell draft evaporative cooling tower; and (7) associated support equipment. The Lodi Energy Center was placed into commercial operation on November 27, 2012. There is also a Class I Underground Injection Control Well, located at the West side of White Slough Water Treatment Plant at LEC. The useful life of the plant and associated tangible assets including the injection well is projected through fiscal year 2040.

The Capital Facilities Project consists of a natural gas-fired combustion turbine power generating station, Unit One, with a design rating of 49.9 MW located in the City of Lodi. Construction of the Project began in September 1993, with commercial operation commencing in 1996. The power generating station consists of a single natural gas-fired steam injected gas turbine, generator, and required auxiliary and electrical interconnection systems. Additionally, the STIG project includes a Class I Underground Injection Control Well, located at the West side of White Slough Water Treatment Plant. The useful life of the plant and associated tangible assets including the injection well is projected through fiscal year 2040.

The LEC and Capital Facilities projects are located on property owned by the City of Lodi (City). The Agency entered into the Second Amended and Restated Ground Lease by and between the City of Lodi (Landlord) and the Northern California Power Agency (Tenant), dated April 29, 2013. The agreement requires that upon termination of the lease, NCPA must abandon and close any and all injection wells utilized on the premises with the exception of the Southeast Corner Test Well, which is the responsibility of the City. Additionally, Federal Environmental Protection Agency (EPA) regulations set forth requirements in subpart F of 40 CFR part 144 for the Federal Underground Injection Control (UIC) program and the plugging of injection wells.

The Agency commissioned engineering firm AECOM to develop construction cost estimates for closing the wells. The firm's estimates were included in Exhibit Q-1, Plugging and Abandonment Plan, Stig-1 & LEC-1 in a 2019 EPA permit filing. The estimated cost of plugging the Lodi Entergy Center injection well totaled $0.169 million, and the estimated cost of plugging the Capital Facilities injection well totaled $0.149 million. The estimated costs are based on mobilization/demobilization, construction costs, contingency, and engineering and field oversight costs. The assumed escalation factor for these projects is 2.58% based on the 2018 Handy Handy-Whitman Index of Public Utility Construction Costs (Bulletin No. 187).

The estimated retirement obligation costs for the LEC well plugging is $178,173 with an annual retirement obligation expense of $7,756 for year ended June 30, 2019. The estimated retirement obligation costs for the LEC well plugging is $173,690 with an annual retirement obligation expense of $7,552 for year ended June 30, 2018. The estimated retirement obligation costs for the Capital Facilities Project well plugging is $156,538 with an annual retirement obligation expense of $6,814 for year ended June 30, 2019. The estimated retirement obligation costs for the Capital Facilities Project well plugging is $152,599 with an annual retirement obligation expense of $6,635 for year ended June 30, 2019.
Currently there are no assets restricted for payment of the injection well closures. To meet the legally required funding and assurance provisions of the injection well closures, NCPA files with the EPA annually. This filing includes a financial test to demonstrate financial assurance, as specified in subpart F of 40 CFR part 144.

NOTE G -- RETIREMENT PLAN

General Information about the Pension Plans

Plan Descriptions The Agency provides a defined benefit retirement plan to all eligible employees under the Public Employees' Retirement System (PERS). The Plan is an agent multiple-employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. In 2012, the Public Employees' Pension Reform Act (PEPRA) become law that implemented new benefit formulas and final compensation period, as well as new contribution requirements for new employees hired on or after January 1, 2013 who meet the definition of new member under PEPRA. Employees hired prior to January 1, 2013, and those new employees not meeting the PEPRA definition of new member, are considered classic members.

The Plans' provisions and benefits in effect at June 30, 2019 and 2018, are summarized as follows:

Hire date	Prior to January 1, 2013	On or After January 1, 2013
Benefit formula	2.5% @ 55	2.0% @ 62
Benefit vesting schedule	5 full-time years	5 full-time years
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	60 - 67
Monthly benefits, as a % of eligible compensation	2.0% to 2.5%	2.0% to 2.5%
Required employee contribution rates	8.00%	6.50%
Required employer contribution rates	32.649%	32.649%

Employees Covered – At June 30, 2019 and 2018, the following employees were covered by the benefit terms for each Plan:

	2019	2018
Inactive employees or beneficiaries currently receiving benefits	135	126
Inactive employees entitled to but not yet receiving benefits	14	21
Active employees	150	150
Total	299	297

Contributions Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the measurement period ended June 30, 2018 and 2017 (the measurement dates), the average active employee contribution rates were 7.704% and 8.380%, respectively, of annual pay and the Agency's contribution rates are 35.006% and 36.355%, respectively, of annual payroll. Employer contribution rates may change if plan contracts are amended.

Net Pension Liability The Agency's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured at prior year end, using annual actuarial valuations as of the previous year end and rolled forward to the measurement date, using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions The total pension liabilities as of June 30, 2019 and 2018 were determined using the following actuarial assumptions:

	2019	2018
Valuation Date	June 30, 2017	June 30, 2016
Measurement Date	June 30, 2018	June 30, 2017
Actuarial Cost Method	Entry-Age Normal	Entry-Age Normal
Actuarial Assumptions:		
Discount Rate	7.15%	7.15%
Inflation	2.75%	2.75%
Payroll Growth	3.00%	3.00%
Projected Salary Increase	2.75%-8.50% (1)	3.2%-12.2% (1)
Investment Rate of Return	7.5% (2)	7.5% (2)
Mortality	(3)	(3)

(1) Depending on age and service.
(2) Net of pension plan investment expenses, including inflation.
(3) Derived using CalPERS' specific membership data with projected on-going mortality improvement using Scale BB published by the Society of Actuaries.

Discount Rate The discount rate used to measure the total pension liability was 7.15% for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15% will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB 68 section.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.15% investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.30%. For the measurement year ended June 30, 2018 and 2017, using this lower discount rate resulted in a slightly higher total pension liability and net pension liability. This difference was deemed immaterial to the agent multiple-employer plan.

On December 21 2016, CalPERS announced to employers that the CalPERS Board of Administration voted to lower the discount rate assumption, net of administrative expenses, from 7.5% to 7.0% over a three year period as follows:

- FY 2017-2018: 7.375%
- FY 2018-2019: 7.25 %
- FY 2019-2020: 7.00 %

There will be a one year implementation delay for school districts and public agencies deferring the first rate discount decrease to FY 2018-2019. Lowering the discount rate, also known as the assumed rate of return, means employers that contract with CalPERS to administer their pension plans will see increases in their normal costs and unfunded actuarial liabilities. CalPERS has estimated that the three-year reduction of the discount rate will result in average employer rate increases of about 1 percent to 3 percent of normal cost as a percent of payroll in addition to increases to the current unfunded accrued liability payments. Although CalPERS implemented the discount rate reduction over a three year period to mitigate the impact to employer agencies, the GASB 68 Accounting Report assumed that the effective discount rate is 7.15% effective for fiscal year 2018 forward.

To mitigate the growing unfunded accrued liability, the Agency implemented a Long-Term Funding Plan for NCPA's Employee Pension Program which includes accelerated funding of the unfunded liability over a 15 year period. The plan includes: 1) a goal for minimum funding level of 80% within 15 years and annual Commission confirmation of the continued funding of the annual required employer contribution at 100%; 2) shorten the amortization period of the liability to 15 years; 3) research other ways to limit the pension liability; and 4) annual Finance Committee review in conjunction with annual CalPERS actuarial valuations and recommendation to the Commission as needed. In addition, the Agency has a budget policy that mandates an annual reconciliation of budgeted versus actual pension costs. The policy requires that positive budget variances are contributed as payments against the unfunded liability at year end.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

For measurement period ending June 30, 2018:

Asset Class	Strategic Allocation	Real Return Years 1-10 [1]	Real Return Years 11+ [2]
Global Equity	49.00%	4.80%	5.98%
Private Equity	8.00%	6.30%	7.23%
Fixed Income	22.00%	1.00%	2.62%
Liquidity	3.00%	0.00%	-0.92%
Real Estate	12.00%	3.75%	4.93%
Inflation Assets	6.00%	0.77%	1.81%
Other	0.00%	0.00%	0.00%

[1] An expected inflation of 2.0% used for this period
[2] An expected inflation of 2.9% used for this period

For measurement period ending June 30, 2017:

Asset Class	Strategic Allocation	Real Return Years 1-10 [1]	Real Return Years 11+ [2]
Global Equity	47.00%	4.90%	5.38%
Private Equity	12.00%	6.60%	6.63%
Fixed Income	19.00%	0.80%	2.27%
Liquidity	2.00%	-0.40%	-0.90%
Real Estate	11.00%	2.80%	5.21%
Inflation Assets	6.00%	0.60%	1.39%
Other	3.00%	3.90%	5.36%

[3] An expected inflation of 2.5% used for this period
[4] An expected inflation of 3.0% used for this period

Changes in the Net Pension Liability

The change in the Net Pension Liability for each Plan follows:

Description	Increase/(Decrease) Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2018	$ 158,591,178	$ 90,091,516	$ 68,499,662
Service cost incurred	3,511,108	-	3,511,108
Interest on total pension liability	10,837,217	-	10,837,217
Differences between actual and expected experience	(324,038)	-	(324,038)
Change in assumption	(4,902,279)	-	(4,902,279)
Change in benefits	-	-	-
Net Plan to Plan Resource Movement	-	(226)	226
Contributions – employer	-	7,769,425	(7,769,425)
Contributions – employee	-	1,532,206	(1,532,206)
Net investment income`	-	7,654,116	(7,654,116)
Differences between projected and actual earnings on plan investments	-	-	-
Benefit payments	(7,101,870)	(7,101,870)	-
Administrative expense	-	(140,387)	140,387
Other Miscellaneous Income/(Expense)	-	(266,598)	266,598
Net changes	2,020,138	9,446,666	(7,426,528)
Balance at June 30, 2019	$ 160, 611,316	$ 99,538,182	$ 61,073,134

Description	Increase/(Decrease) Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2017	$ 143,919,618	$ 79,331,018	$ 64,588,600
Service cost incurred	3,548,776	-	3,548,776
Interest on total pension liability	10,678,090	-	10,678,090
Differences between actual and expected experience	(1,980,198)	-	(1,980,198)
Change in assumption	8,835,307	-	8,835,307
Change in benefits	-	-	-
Contributions – employer	-	6,752,236	(6,752,236)
Contributions – employee	-	1,556,483	(1,556,483)
Net investment income	-	8,979,321	(8,979,321)
Differences between projected and actual earnings on plan investments	-	-	-
Benefit payments	(6,410,415)	(6,410,415)	-
Administrative expense	-	(117,127)	117,127
Net changes	14,671,560	10,760,498	3,911,062
Balance at June 30, 2018	$ 158,591,178	$ 90,091,516	$ 68,499,662

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Plan, calculated using the discount rate, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.15% for 2019 and 6.15% for 2018) or 1-percentage point higher (8.15% for 2019 and 8.15% for 2018) than the current rate:

2019	Discount Rate – 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
Plan's Net Pension Liability	$ 82,076,995	$ 61,073,134	$ 43,589,609

2018	Discount Rate – 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
Plan's Net Pension Liability	$ 89,937,527	$ 68,499,662	$ 50,727,512

Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

For the years ending June 30, 2019 and 2018, the Agency incurred pension expense of $6,195,239 and $8,048,230, respectively. At June 30, 2019 and 2018, the Agency has deferred outflows of resources and deferred inflows of resources related to pensions as follows:

2019	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 8,703,934	$ -
Changes in assumptions	4,417,653	(3,818,726)
Differences between actual and expected experience	156,022	(1,303,551)
Net differences between projected and actual earnings on plan investments	102,772	-
Total	$ 13,380,381	$ (5,122,277)

2018	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 7,769,768	$ -
Changes in assumptions	6,626,480	(672,759)
Differences between actual and expected experience	297,861	(1,895,832)
Net differences between projected and actual earnings on plan investments	1,050,762	-
Total	$ 15,744,871	$ (2,568,591)

Pension contributions subsequent to measurement date of $8,703,934 and $7,769,768 reported as deferred outflows of resources for years ending June 30, 2019 and 2018, respectively, will be recognized as a reduction of the net pension liability in the year ended June 30, 2020 and 2019, respectively.

For reporting year ended June 30, 2019, amounts reported as deferred outflows (inflows) of resources related to pensions will be recognized in future pension expense as follows:

Measurement Period Ended June 30:	Deferred Outflows/(Inflows) of Resources
2019	$ 1,412,266
2020	668,694
2021	(2,164,769)
2022	(362,021)
2023	-
Thereafter	-
Total	$ (445,830)

For reporting year ended June 30, 2018, amounts reported as deferred outflows (inflows) of resources related to pensions will be recognized in future pension expense as follows:

Measurement Period Ended June 30:	Deferred Outflows/(Inflows) of Resources
2018	$ 962,526
2019	2,921,531
2020	2,177,959
2021	(655,504)
2022	-
Thereafter	-
Total	$ 5,406,512

Payable to the Pension Plan At June 30, 2019 and 2018 the Agency did not have an outstanding amount of contributions payable to the pension plan required for the years ended.

NOTE H -- OTHER POST EMPLOYMENT BENEFITS (OPEB)

General Information about the OPEB Plan

The Agency contracts with the CalPERS under the Public Employees' Medical and Hospital Care Act (PEMHCA) for employee medical insurance. In connection with this plan, the Agency provides medical insurance to all active employees and their families, as well as all qualified retirees (and spouses), subject to certain limitations. The Agency has maintained an actuarially based restricted fund for the sole purpose of paying medical insurance premiums for qualified retired employees (and spouses) participating in the CalPERS medical plan. In 2007, the Agency became a participant in the CalPERS California Employers' Retiree Benefit Trust (CERBT), a pre-funding OPEB plan, which is an irrevocable multi-employer trust and plan consisting of an aggregation of single-employer plans, with pooled administrative and investment functions. CalPERS issues publicly available reports that include the net changes in Fiduciary Net Position by Employer that can be found on the CalPERS website.

The Agency makes its Actuarially Determined Contribution (ADC) to this OPEB plan annually. The ADC represents the service cost plus an amortized amount of net OPEB liabilities (NOL). The amortization of NOL is based on a 30 year level dollar amount on a "closed" basis. There are 25 years remaining as of the measurement date of June 30, 2018.

Summary of certain plan provisions and benefits in effect during fiscal year ended June 30, 2019:

Required service for eligibility	Pre-1/1/2009 Hires, 5 full-time years On or After 1/1/2009 Hires, 5 full-time years and minimum 10 years CalPERS service
Minimum retirement age	50
Benefit payments	Monthly for life
Vesting for eligible employees	Pre-1/1/2009 Hires, 100% at 5 years On or After 1/1/2009 Hires, 50% at 10 years; 5%/year up to 100% at 20 years
Maximum monthly benefit	90% of Sacramento Kaiser Family rate

Employees Covered – At June 30, 2019 and 2018, the following employees were covered by the benefit terms for each Plan:

	2019	2018
Inactive employees or beneficiaries currently receiving benefits	133	133
Inactive employees entitled to but not yet receiving benefits	-	-
Active employees	150	150
Total	283	283

Contributions The Actuarially Determined Contribution (ADC) and funded status of the OPEB plan were determined based on current cost trends of the CalPERS health plans in which the employees currently participate at the time of the actuarial valuation. The June 30, 2017 actuarial valuation (rollforward to June 30, 2018) was prepared on the basis of the OPEB assumption model, as prescribed by the CalPERS, in effect at the time of the valuation. At fiscal year-end June 30, 2019, the Agency had 150 active eligible employees and 133 retirees drawing benefits under this program.

The ADC and funded status of the plan are subject to periodic revision based on actual results, changes in assumptions or plan provisions, and new estimates of expected future circumstances. Future actuarial valuations will be performed every two years, as prescribed by CalPERS.

The Agency's ADC (based on actuarially established rates) was determined as part of a June 30, 2017 actuarial valuation (rollforward to June 30, 2018) using the entry age normal actuarial cost method. The primary actuarial assumptions included: valuation using the Entry Age Normal Cost Method, 6.75% annual discount rate, payroll growth of 3.80% to 9.40%, 2.50% inflation, and maximum employer contribution increases derived from the Getzen Model for developing long-term health care cost trends.

To mitigate the growing OPEB unfunded accrued liability, the Agency implemented a Long-Term Funding Plan for the NCPA Retiree Medical Plan which includes: 1) establish a goal to obtain a minimum funding level of 80% within 15 years and confirm the policy of funding 100% or more of the ARC each year; 2) reduce actuarial liability by developing a cap for health care premiums going forward; 3) shorten the amortization period used in the actuarial calculations from 28 years to 15 years; 4) consider additional funding sources for increased funding of the ARC, including further budget reductions or new revenues (from members or new services/customers); and 5) conduct new actuarial studies on a biennial basis as required and review the updated results with the Finance Committee, who will make recommendations for revision to the Commission as needed.

The Agency has a budget policy that mandates an annual reconciliation of budgeted versus actual OPEB costs. The policy requires that positive budget variances are contributed as payments against the unfunded liability at fiscal year end. Additionally, effective 1/1/2019, NCPA created a third tier level for OPEB for employees hired after that date. Employees in tier three are eligible for Agency payment of 90% of the CalPERs medicare rate; Tier 1 and Tier 2 employees are eligible for Agency payment of 90% of the Sacramento Regional Kaiser Family Rate. The change will be included in the fiscal year 2020 actuarial valuation update and has no impact to fiscal year 2019 and will reduce NCPA's OPEB liability on a going forward basis as the Agency hires future employees.

Net OPEB Liability The Agency's net liability for the OPEB Plan is measured as the total OPEB liability, less the OPEB plan's fiduciary net position. The net OPEB liability of the Plan is measured at prior year end, using annual actuarial valuations as of the previous year end and rolled forward to the measurement date, using standard update procedures. A summary of principal assumptions and methods used to determine the net OPEB liability is shown below.

Actuarial Assumptions The total OPEB liabilities as of June 30, 2019 and 2018 are determined using the following actuarial assumptions, applied to all periods included in the measurement:

	2019	2018
Valuation Date	June 30, 2017	June 30, 2017
Measurement Date	June 30, 2018	June 30, 2017
Actuarial Cost Method	Entry-Age Normal	Entry-Age Normal
Actuarial Assumptions:		
Discount Rate	6.75%	6.75%
Inflation	2.50%	2.50%
Payroll Growth	3.80%-9.40%	3.80%-9.40%
Projected Salary Increase	Varies (1)	Varies (1)
Investment Rate of Return	6.75% (2)	6.75% (2)
Mortality	(3)	(3)
Healthcare cost trend rates	(4)	(4)

(1) Depending on age and service.
(2) Net of OPEB trust investment expenses, including inflation.
(3) Mortality rates are based on the 2016 California PERS (CalPERS) Pension report and includes a projection to 2028 using scale BB to account for anticipated future mortality improvement.
(4) Medical inflation was based on the "Getzen" model published by the Society of Actuaries for purposes of evaluating long term medical trend. A margin to reflect the impact of the excise tax in future years is reflected in the assumed trend. The trend also reflects the removal of the Health Insurer Fee for calendar year 2019. This fee will be assessed again in calendar year 2020.

Discount Rate The discount rate used to measure the total OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that the Agency's contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB trust investments was applied to all periods of projected benefit payments to determine the total OPEB liability. To the extent that OPEB trust assets are insufficient to finance all OPEB benefits, the discount rate should be based on 20-year tax-exempt AA or higher Municipal Bonds as of the measurement date.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table (net of administrative expenses):

For measurement period ending June 30, 2018:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	57.00%	7.92%
US Fixed Income	27.00%	6.83%
Treasury Inflation-Protected Securities	5.00%	3.95%
Real Estate Investment Trusts	8.00%	7.56%
Commodities	3.00%	5.47%

For measurement period ending June 30, 2017:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	57.00%	7.92%
US Fixed Income	27.00%	6.83%
Treasury Inflation-Protected Securities	5.00%	3.95%
Real Estate Investment Trusts	8.00%	7.56%
Commodities	3.00%	5.47%

Changes in the Net OPEB Liability

Description	Increase/(Decrease) Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2018	$ 34,809,706	$ 27,307,506	$ 7,502,200
Service cost incurred	970,972	-	970,972
Interest on total OPEB liability	2,354,734	-	2,354,734
Differences between actual and expected experience	-	-	-
Change in assumption	-	-	-
Change in benefits	-	-	-
Contributions – employer	-	3,642,455	(3,642,455)
Contributions – employee	-	-	-
Net investment income	-	2,147,351	(2,147,351)
Differences between projected and actual earnings on plan investments	-	-	-
Benefit payments	(1,821,195)	(1,821,195)	-
Administrative expense	-	(14,755)	14,755
Net changes	1,504,511	3,953,856	(2,449,345)
Balance at June 30, 2019	$ 36,314,217	$ 31,261,362	$ 5,052,855

Description	Increase/(Decrease) Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2017	$ 33,365,151	$ 22,735,392	$ 10,629,759
Service cost incurred	909,576	-	909,576
Interest on total OPEB liability	2,256,395	-	2,256,395
Differences between actual and expected experience	-	-	-
Change in assumption	-	-	-
Change in benefits	-	-	-
Contributions – employer	-	3,914,644	(3,914,644)
Contributions – employee	-	-	-
Net investment income	-	2,390,569	(2,390,569)
Differences between projected and actual earnings on plan investments	-	-	-
Benefit payments	(1,721,416)	(1,721,416)	-
Administrative expense	-	(11,683)	11,683
Net changes	1,444,555	4,572,114	(3,127,559)
Balance at June 30, 2018	$ 34,809,706	$ 27,307,506	$ 7,502,200

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the Plan, calculated using the discount rate, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.75%) or 1-percentage point higher (7.75%) than the current rate:

2019	Discount Rate – 1% (5.75%)	Current Discount Rate (6.75%)	Discount Rate + 1% (7.75%)
Plan's Net OPEB Liability	$ 9,327,391	$ 5,052,855	$ 1,495,493

2018	Discount Rate – 1% (5.75%)	Current Discount Rate (6.75%)	Discount Rate + 1% (7.75%)
Plan's Net OPEB Liability	$ 11,650,819	$ 7,502,200	$ 4,051,503

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates.

The following presents the net OPEB liability of the Plan, as well as what the Plan's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

2019	Healthcare Costs Trend Rate – 1%	Current Healthcare Costs Trend Rate	Healthcare Costs Trend Rate + 1%
Plan's Net OPEB Liability	$ 1,345,813	$ 5,052,855	$ 9,688,171

2018	Healthcare Costs Trend Rate – 1%	Current Healthcare Costs Trend Rate	Healthcare Costs Trend Rate + 1%
Plan's Net OPEB Liability	$ 4,147,668	$ 7,502,200	$ 11,678,446

OPEB Expenses and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ending June 30, 2019, and 2018, the Agency incurred OPEB expense of $1,234,406 and $1,413,889, respectively. At June 30, 2019, and 2018,the Agency has deferred outflows of resources and deferred inflows of resources related to OPEB as follows:

2019	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	$ 3,674,502	$ -
Differences between actual and expected experience	-	-
Changes in consumption		
Net differences between projected and actual earnings on plan investments	-	(679,990)
Total	$ 3,674,502	$ (679,990)

2018	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	$ 3,454,933	$ -
Changes in assumptions	-	-
Differences between actual and expected experience	-	-
Net differences between projected and actual earnings on plan investments	-	(626,804)
Total	$ 3,454,933	$ (626,804)

Amounts reported as deferred outflows/(inflows) of resources related to OPEB will be recognized in future OPEB expense as follows:

Measurement Period Ended June 30, 2019:	Deferred Outflows/(Inflows) of Resources
2019	$ -
2020	(209,915)
2021	(209,915)
2022	(209,917)
2023	(50,243)
Thereafter	-
Total	$ (679,990)

Measurement Period Ended June 30, 2018:	Deferred Outflows/(Inflows) of Resources	
2018	$	(156,701)
2019		(156,701)
2020		(156,701)
2021		(156,701)
2022		-
Thereafter		-
Total	$	(626,804)

Payable to the OPEB Plan At June 30, 2019 and 2018, the Agency did not have an outstanding amount of contributions payable to the OPEB plan required for the year ended.

The funded status of the plan and the annual required contributions are subject to periodic revision based on actual results, changes in assumptions or plan provisions, and new estimates of expected future circumstances. Future actuarial valuations will be performed every two years, as prescribed by CalPERS.

NOTE I -- COMMITMENTS AND CONTINGENCIES

Power Purchase Contracts The Agency had commitments of approximately $6.5 million in connection with various power purchase contracts as of June 30, 2019. The contracts, extending through December 2021, are normal purchases at agreed to contract prices for fixed quantities of energy. Certain of the Agency's members have individually entered into certain other long-term contracts, which the Agency dispatches and schedules for them. See Note B - Summary of Significant Accounting Policies.

Resource Adequacy Contracts The Agency had commitments of approximately $1.03 million in connection with various resource adequacy capacity contracts as of June 30, 2019. The contracts, extending through December 2021, are normal purchases at agreed to contract prices for fixed quantities of capacity. Certain of the Agency's members have individually entered into other long-term capacity contracts.

Fuel Supply Agreements The Agency has entered into the following agreements to provide natural gas fuel supply for use in its generation resources:

- A 30-year agreement terminating in October 2023 with various natural gas pipeline management companies under which the Agency has acquired firm natural gas pipeline transportation capacity in four separate natural gas pipelines between Alberta, Canada and northern California. The estimated minimum annual natural gas transmission commitment is approximately $713,000. The Agency's firm natural gas pipeline transportation capacity is scheduled by Mercuria Energy Gas Trading, LLC (Mercuria) pursuant to the term and conditions of an Asset Management Agreement for Pipeline Transportation Capacity that became effective on January 1, 2015.
- On behalf of the participants in the Combustion Turbine Project Number One and the Capital Facilities project, the Agency entered into an agreement with EDF Trading North America, LLC (EDF) effective January 1, 2013 to provide natural gas supply and scheduling, nomination, balancing and settlement services. The contract automatically renews each year on January 1, unless terminated earlier by six-months written notice by either party.
- The Agency had approximately $7.2 million of gas purchase commitments at June 30, 2019. The commitments, extending through December 2021, are normal purchases at agreed to prices for fixed quantities of gas.

Western Area Power Administration Base Resource A number of the Agency's members, who had an aggregate 18.87957% of the Base Resource Contract with the Western Area Power Administration to receive electric power from the Central Valley Project in California, have assigned their shares to the Agency in order to create a power resource portfolio for the mutual benefit of participating Agency members. The assignments terminate the earlier of December 31, 2024 or 60 days after Western approves a reassignment.

Geothermal Royalties Under terms of federal geothermal leasehold agreements, the Agency is required to pay royalties to the United States (U.S.) on the value of geothermal steam produced. Currently, the effective rate of such royalties is 3.6% of an amount based on the Agency's monthly weighted average cost of third-party wholesale electricity purchases made by Agency members participating in the Geothermal Project. The U.S. Department of the Interior, Office of Natural Resources Revenue maintains the right to periodically review and withdraw their approval or to change this methodology should operations, market conditions, or Federal regulations change.

CLAIMS AND LITIGATION

California Energy Crisis During 2000 and 2001, California experienced extreme fluctuations in the prices and supplies of natural gas and electricity in much of the State. While there has been progress in addressing these issues, uncertainty remains. As a result, no assurance can be given that measures undertaken, together with measures to be taken in the future, will prevent the recurrence of shortages, price volatility or other energy problems that have adversely affected California electric utilities in the past. The Agency has settled with the plaintiffs in related litigation, and while the settlement has been approved by FERC, there are still some claims by others that remain ongoing. Although the Agency considers these claims to be lacking in merit, no assurance thereof can be given until all proceedings are finally concluded.

Following a July 10, 2018 FERC order generally accepting the CAISO and CALPX's filings calculating the refunds owed by all participants in the ISO and PX markets, the California parties have begun the process of reconciling the amounts recorded by the ISO and PX with all the settlements entered into by the California Parties (including the settlement with NCPA). Following that process, some adjustments may need to be made to account for differences between the interest owed and interest actually collected on certain escrow accounts. NCPA is unlikely to be affected by any such adjustments.

Greenhouse Gas (GHG) Emissions The California Global Warming Solutions Act of 2006 (also known as California Assembly Bill 32 or AB 32) requires the gradual reduction of state-wide GHG emissions to the 1990 level by 2020. The California Air Resources Board (CARB) is the state agency charged with monitoring GHG levels and adopting regulations to implement and enforce AB 32. The CARB has approved various regulations, including regulations that established a state-wide, comprehensive "cap-and-trade" program that sets a gradually declining limit (or "cap") on the amount of GHGs that may be emitted by the major sources of GHG emissions each year. GHG emissions are measured in metric tons (MT) of carbon dioxide-equivalent greenhouse gases (CO_{2e}) per year.

The cap and trade program's first two-year compliance period, which began January 1, 2013, applies to the electricity generation and large industrial sectors. The next compliance period, from January 1, 2015 through December 31, 2017, expanded to include the natural gas supply and transportation sectors, effectively covering all the capped sectors until 2020. In July 2017, CARB adopted an updated set of cap-and-trade regulations that extends the cap-and-trade program to 2030. The updated regulations continue the direct allocation of allowances to distribution utilities which in turn can be transferred by members to the Agency.

The Agency's Lodi Energy Center gas plant, Steam Injected Gas Turbine gas plant and electricity imports (purchased power) are subject to the compliance rules established by CARB for the cap-and-trade program. As such, the Agency acquires sufficient compliance instruments to cover its compliance obligations or receives transfers of required compliance instruments from its project participants. At June 30, 2019, the Agency had cumulative compliance obligation of 764,634 MT with 1,030,567 MT of acquired allowances to meet its compliance obligation. At June 30, 2018, the Agency had cumulative compliance obligation of 1,093,971 MT with 1,242,482 MT of acquired allowances to meet it compliance obligation.

Other Factors Affecting the Electric Utility Industry Electric industry market participants, such as the Agency and its members, continue to face numerous potential risks and uncertainties including, but not limited to, significant volatility in energy prices and increased transmission and ancillary services costs; new federal and state renewable energy, operating efficiency, and environmental standards; and, global pressures on economic and financial market conditions. The Agency and its members continue to study and to take various actions in an effort to mitigate and manage these risk and uncertainties. However, the Agency cannot predict either the ultimate outcome of these ongoing changes or whether such outcome will have a material adverse effect on its financial position or results of operations.

Other Legal Matters The Agency is engaged in various legal proceedings before federal and state courts and various administrative tribunals incidental to the Agency's operations.

Based on its review of the aforementioned proceedings with outside legal counsel, the Agency believes that the ultimate aggregate liability, if any, resulting from these proceedings will not have a materially adverse effect on the combined financial position or results of operations of the Agency.

Claims On September 9, 2015, a major wildfire (The Valley Fire) occurred in the California counties of Lake, Napa, and Sonoma. The fire burned approximately 74,000 acres and destroyed approximately 1,960 structures including homes, commercial properties, and other minor structures. The Agency's Geysers geothermal and effluent projects are located in Lake County, and some of those facilities were damaged in the fire. Damage and reparation costs totaled $1.74 million in 2015 and 2016. A Presidential Disaster Declaration was issued on September 22, 2015. Public Assistance was added to the Disaster Declaration on October 9, 2015. The Agency recovered $531,317 from the project insurance policy in fiscal year 2017. Additionally, the Agency seeks to recover public assistance grants and will record those proceeds in other non-operating revenue in the fiscal year in which they are received.

In December, 2015, the Hydroelectric Project Adit 4 Tunnel Spoils incurred water related damage that required remediation to stabilize the site and prevent further erosion to Clark Creek. The Adit 4 Tunnel Spoils (Spoils) are located approximately 1.5 miles up canyon from the Collierville Powerhouse in Calaveras County and are part of the water conveyance tunnel between McKays Point Diversion Dam and the Collierville Power House. Damage and reparation costs are estimated to be $4.5 million. Construction was completed in late summer 2018, and final invoices are pending. The Agency recovered $2,100,000 from the project insurance policy in fiscal year 2018.

During the period of January 3-12, 2017, severe winter storms caused flooding and mudslides in many California Counties. As a result of those storms, the Beaver Creek Diversion Dam and McKays Point Reservoir filled with sediment and debris, and Beaver Creek required emergency dredging after the river flows receded during the summer. Additionally, much of the Project was inaccessible for weeks as a result of numerous road failures. Repair costs totaled approximately $2.2 million. Construction was completed in fall 2017. The Agency recovered $1,270,036 from the project insurance policy in fiscal year 2018. On February 14, 2017, a Presidential Disaster Declaration was issued including federal disaster assistance. The Agency seeks to recover public assistance grants and will record those proceeds in other non-operating revenue in the fiscal year in which they are received.

NOTE J – SUBSEQUENT EVENTS

On 5/17/19, the Agency Finance Committee supported staff's recommendation to issue Request Proposals for Underwriter and Direct Placement Services for a refunding of the Capital Facilities Bonds, Series 2010A, and on 8/13/19, the committee members supported staff's recommendation to select JP Morgan as the underwriter for the refunding. The bonds are callable in February 2020, and the bond documents will be included in the October 24th Commission Agenda for approval. The scheduled closing date for the bonds is November 20, 2019.

Required Supplementary Information

REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)
NORTHERN CALIFORNIA POWER AGENCY
AND ASSOCIATED POWER CORPORATIONS

Schedule of Changes in the Net Pension Liability and Related Ratios Last 10 Measurement Years *

	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014
Total Pension Liability					
Service cost	$ 3,511,108	$ 3,548,776	$ 3,152,017	$ 3,256,167	$ 3,220,329
Interest on total pension liability	10,837,217	10,678,090	10,328,232	9,734,270	9,285,364
Differences between expected and actual experience	(324,038)	(1,980,198)	581,539	(1,437,389)	-
Changes in assumptions	(4,902,279)	8,835,307	-	(2,354,661)	-
Changes in benefits	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(7,101,870)	(6,410,415)	(5,988,393)	(5,522,982)	(5,059,144)
Net change in total pension liability	2,020,138	14,671,560	8,073,395	3,675,405	7,446,549
Total pension liability - beginning	158,591,178	143,919,618	135,846,223	132,170,818	124,724,269
Total pension liability - ending (a)	$ 160,611,316	$ 158,591,178	$ 143,919,618	$ 135,846,223	$ 132,170,818
Plan fiduciary net position					
Contributions - employer	$ 7,769,425	$ 6,752,236	$ 5,406,928	$ 5,584,985	$ 5,507,642
Contributions - employee	1,532,206	1.556.483	1,453,722	1,433,343	1,410,488
Net investment income	7,654,116	8,979,321	434,144	1,754,108	10,868,237
Benefit payments	(7,101,870)	(6,410,415)	(5,988,393)	(5,522,982)	(5,059,144)
Administrative and other expense	(407,211)	(117,127)	(47,581)	(87,934)	-
Net change in plan fiduciary net position	9,446,666	10,760,498	1,258,820	3,161,520	12,727,223
Plan fiduciary net position - beginning	90,091,182	79,331,018	78,072,198	74,910,678	62,183,455
Plan fiduciary net position - ending (b)	$ 99,538,182	$ 90,091,516	$ 79,331,018	$ 78,072,198	$ 74,910,678
Net pension liability - ending (a)-(b)	$ 61,073,134	$ 68,499,662	$ 64,588,600	$ 57,774,025	$ 57,260,140
Plan fiduciary net position as a percentage of the total pension liability	61.97%	56.81%	55.12%	57.47%	56.68%
Covered - employee payroll	$ 19,045,878	$ 18,573,174	$ 18,121,290	$ 18,365,293	$ 17,596,462
Net pension liability as percentage of covered-employee payroll	320.66%	368.81%	356.42%	314.58%	325.41%

Notes to Schedule:

Benefit changes The figures above do not include any liability impact that may have resulted from plan changes, which occurred after June 30, 2018. This applies for voluntary benefit changes as well as any offers to Two Years Additional Service Credit (aka Golden Handshakes).

Changes in assumptions In 2017, CalPERS reduced the discount rate from 7.65% to 7.15%. In 2016, GASB 68 was modified to state that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. Accordingly, the discount rate was changed from 7.50 percent (net of administrative expense in 2014) to 7.65 percent as of June 30, 2015 measurement date to reflect this required methodology change.

* Measurement fiscal year 2014 was the first year of implementation, therefore only five years are shown.

REQUIRED SUPPLEMENTARY INFORMATION - Continued
(UNAUDITED)
NORTHERN CALIFORNIA POWER AGENCY
AND ASSOCIATED POWER CORPORATIONS

Schedule of Pension Plan Contributions
Last 10 Fiscal Years *

	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015
Actuarially Determined Contribution	$ 6,837,159	$ 6,263,130	$ 5,715,970	$ 5,406,928	$ 5,065.861
Contributions in Relation to the Actuarially Determined Contribution	(8,703,934)	(7,769,768)	(6,752,236)	(5,406,928)	(5,584.985)
Contribution Deficiency (Excess)	$ (1,866,775)	$ (1,506,638)	$ (1,036,266)	$ -	$ (519.124)
Covered-Employee Payroll[1]	$ 20,379,246	$ 19,045,878	$ 18,573,174	$ 18,121,290	$ 18,365,293
Contributions as a Percentage of Covered-Employee Payroll[1]	42.71%	40.79%	36.35%	29.84%	30.41%

[1] Covered-Employee Payroll represented above is based on pensionable earnings provided by the employer. However, GASB 68 defines covered-employee payroll as the total payroll of employees that are provided pensions through the pension plan. Pensionable earnings are covered employee payroll reduced for earnings and other earnings adjustments not subject to pension contributions.

* Fiscal year 2015 was the first year of implementation, therefore only five years are shown.

REQUIRED SUPPLEMENTARY INFORMATION- Continued
(UNAUDITED)
NORTHERN CALIFORNIA POWER AGENCY
AND ASSOCIATED POWER CORPORATIONS

Schedule of Changes in the Net OPEB Liability and Related Ratios Last 10 Measurement Years *

	FY 2018	FY 2017
Total OPEB Liability		
Service cost	$ 970,972	$ 909,576
Interest on total OPEB liability	2,354,734	2,256,395
Differences between expected and actual experience	-	-
Changes in assumptions	-	-
Changes in benefits	-	-
Benefit payments, including refunds of employee contributions	(1,821,195)	(1,721,416)
Net change in total OPEB liability	1,504,511	1,444,555
Total OPEB liability - beginning	34,809,706	33,365,151
Total OPEB liability - ending (a)	$ 36,314,217	$ 34,809,706
Plan fiduciary net position		
Contributions - employer	$ 3,642,455	$ 3,914,644
Contributions - employee	-	-
Net investment income	2,147,351	2,390,569
Benefit payments	(1,821,195)	(1,721,416)
Administrative expense	(14,755)	(11,683)
Net change in plan fiduciary net position	3,953,856	4,572,114
Plan fiduciary net position - beginning	27,307,506	22,735,392
Plan fiduciary net position - ending (b)	$ 31,261,362	$ 27,307,506
Net OPEB liability - ending (a)-(b)	$ 5,052,855	$ 7,502,200
Plan fiduciary net position as a percentage of the total OPEB liability	86.09%	78.45%
Covered - employee payroll	$ 19,556,204	$ 18,573,174
Net OPEB liability as percentage of covered-employee payroll	25.84%	40.39%

Notes to Schedule:

Benefit changes The benefit payments for FY 2018 and FY 2017 consist of pay-as-you-go cost of $1,426,947 and $1,394,637, respectively, plus estimated implicit rate subsidy of $394,248 and $326,779, respectively.

Changes in assumptions NCPA funds, at minimum, the Actuarially Determined Contribution to the OPEB fund. During measurement period ending June 30, 2017, discount rate decreased from 7.00% to 6.75%.

* Measurement fiscal year 2017 was the first year of implementation, therefore only two years are shown.

REQUIRED SUPPLEMENTARY INFORMATION - Continued
(UNAUDITED)
NORTHERN CALIFORNIA POWER AGENCY
AND ASSOCIATED POWER CORPORATIONS

Schedule of OPEB Plan Contributions
Last 10 Fiscal Years *

	FY 2019	FY 2018
Actuarially Determined Contribution	$ 1,676,000	$ 1,426,947
Contributions in Relation to the Actuarially Determined Contribution	(3,674,502)	(3,454,933)
Contribution Deficiency (Excess)	$ (1,998,502)	$ (2,027,985)
Covered-Employee Payroll	$ 20,379,247	$ 19,556,203
Contributions as a Percentage of Covered-Employee Payroll[1]	18.03%	17.67%

* Fiscal year 2018 was the first year of implementation, therefore only two years are shown.

Valuation Date:
Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions used to Determine Contributions Rates:

Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Level percentage of payroll, closed
Amortization period	15 years
Asset valuation method	5 year smoothed market
Discount rate	6.75 percent
Healthcare cost trend rates	3.50% for pre-65 and 2.25% for post-65
Salary increases	3.00 percent
Investment rate of return	6.75 percent
Retirement age	In the 2017 actuarial valuation, expected retirement ages of general employees were adjusted to more closely reflect actual experience.
Mortality	Rates based on statistics taken from the latest California PERS (CalPERS) Pension Valuation Report. The mortality rates include an assumed improvement in future mortality based on Scale BB projected to 2028.

SUPPLEMENTARY INFORMATION (UNAUDITED)

COMBINING STATEMENT OF NET POSITION

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

	June 30, 2019									
	GENERATING & TRANSMISSION RESOURCES									
ASSETS	Geothermal	Hydroelectric	Multiple Capital Facilities	CT No. One	Lodi Energy Center	Transmission No. One	Purchased Power & Transmission	Associated Member Services	Other Agency	Combined
CURRENT ASSETS										
Cash and cash equivalents	$ 1	$ -	$ 1	$ 1	$ 75	$ -	$ -	$ 633	$ 42,716	$ 43,427
Investments	-	-	-	-	-	-	-	-	41,915	41,915
Accounts receivable										
Participants	-	-	-	-	-	-	-	43	193	236
Other	275	-	-	-	-	-	1,901	-	453	2,629
Interest receivable	-	-	-	-	-	-	153	3	430	586
Inventory and supplies	4,509	1,574	246	359	2,203	-	-	-	-	8,891
Prepaid expenses	320	392	30	45	301	-	-	40	551	1,679
Due from Agency and other programs*	11,510	15,722	2,104	1,203	11,737	-	27,476	8,352	(78,104)	-
TOTAL CURRENT ASSETS	16,615	17,688	2,381	1,608	14,316	-	29,530	9,071	8,154	99,363
RESTRICTED ASSETS										
Cash and cash equivalents	7,641	20,507	1,488	-	3,244	-	3,729	-	21,026	57,635
Investments	24,212	24,974	4,660	-	21,496	-	25,702	-	53,859	154,903
Interest receivable	142	181	16	-	87	-	-	-	348	774
TOTAL RESTRICTED ASSETS	31,995	45,662	6,164	-	24,827	-	29,431	-	75,233	213,312
ELECTRIC PLANT										
Electric plant in service	571,460	395,080	64,852	36,552	423,853	7,736	-	839	5,994	1,506,366
Less: accumulated depreciation	(539,326)	(271,697)	(50,567)	(34,670)	(96,170)	(7,736)	-	(502)	(3,401)	(1,004,069)
	32,134	123,383	14,285	1,882	327,683	-	-	337	2,593	502,297
Construction work-in-progress	-	-	-	-	182	-	-	-	-	182
TOTAL ELECTRIC PLANT	32,134	123,383	14,285	1,882	327,865	-	-	337	2,593	502,479
OTHER ASSETS										
Regulatory assets	(348)	132,764	8,889	-	24,684	-	-	-	57,714	223,703
Preliminary survey and investigation costs	-	-	-	-	-	-	-	435	-	435
Investment in associated company	-	-	-	-	-	-	-	-	265	265
TOTAL OTHER ASSETS	(348)	132,764	8,889	-	24,684	-	-	435	57,979	224,403
TOTAL ASSETS	80,396	319,497	31,719	3,490	391,692	-	58,961	9,843	143,959	1,039,557
DEFERRED OUTFLOWS OF RESOURCES										
Excess cost on refunding of debt	1,335	29,332	782	-	1,822	-	-	-	-	33,271
Pension and OPEB deferrals	-	-	-	-	-	-	-	-	17,055	17,055
Asset Retirement Obligations	61,766	-	157	-	178	-	-	-	-	62,101
TOTAL DEFERRED OUTFLOWS OF RESOURCES	63,101	29,332	939	-	2,000	-	-	-	17,055	112,427
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 143,497	$ 348,829	$ 32,658	$ 3,490	$ 393,692	$ -	$ 58,961	$ 9,843	$ 161,014	$ 1,151,984

*** Eliminated in Combination**

SUPPLEMENTARY INFORMATION (UNAUDITED)

COMBINING STATEMENT OF NET POSITION

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

	June 30, 2019									
	GENERATING & TRANSMISSION RESOURCES									
	Geothermal	Hydroelectric	Multiple Capital Facilities	CT No. One	Lodi Energy Center	Transmission	Purchased Power & Transmission	Associated Member Services	Other Agency	Combined
LIABILITIES										
CURRENT LIABILITIES										
Accounts payable and accrued expenses	$ 314	$ 1,080	$ 1	$ 520	$ 620	$ -	$ 28,219	$ -	$ 8,133	$ 38,887
Member advances	791	-	-	-	-	-	-	589	-	1,380
Operating reserves	5,298	250	513	2,669	13,265	-	-	-	-	21,995
Current portion of long-term debt	4,420	12,685	4,195	-	12,040	-	-	-	-	33,340
Accrued interest payable	264	5,675	635	-	1,168	-	-	-	-	7,742
TOTAL CURRENT LIABILITIES	11,087	19,690	5,344	3,189	27,093	-	28,219	589	8,133	103,344
NON-CURRENT LIABILITIES										
Net pension and OPEB liabilities	-	-	-	-	-	-	-	-	66,126	66,126
Operating reserves and other deposits	1,500	14,971	-	-	1,159	-	29,584	4,104	75,233	126,551
Interest rate swap liability	-	14,613	-	-	-	-	-	-	-	14,613
Asset Retirement Obligations	64,820	-	157	-	178	-	-	-	-	65,155
Long-term debt, net	20,100	282,253	25,870	-	319,050	-	-	-	-	647,273
TOTAL NON-CURRENT LIABILITIES	86,420	311,837	26,027	-	320,387	-	29,584	4,104	141,359	919,718
TOTAL LIABILITIES	97,507	331,527	31,371	3,189	347,480	-	57,803	4,693	149,492	1,023,062
DEFERRED INFLOWS OF RESOURCES										
Regulatory credits	36,037	3,620	864	2,054	38,709	-	-	337	3,123	84,744
Pension and OPEB deferrals	-	-	-	-	-	-	-	-	5,802	5,802
TOTAL DEFERRED INFLOWS OF RESOURCES	36,037	3,620	864	2,054	38,709	-	-	337	8,925	90,546
NET POSITION										
Net investment in capital assets	(4,553)	(21,580)	(6,698)	-	(12,741)	-	-	-	-	(45,572)
Restricted for:	-									
Debt service	8,867	19,114	5,529	-	13,600	-	-	-	-	47,110
Other programs	363	1,745	1	-	24	-	-	-	-	2,133
Unrestricted	5,276	14,403	1,591	(1,753)	6,620	-	1,158	4,813	2,597	34,705
TOTAL NET POSITION	9,953	13,682	423	(1,753)	7,503	-	1,158	4,813	2,597	38,376
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	$ 143,497	$ 348,829	$ 32,658	$ 3,490	$ 393,692	$ -	$ 58,961	$ 9,843	$ 161,014	$ 1,151,984

SUPPLEMENTARY INFORMATION (UNAUDITED)

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

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

	For the Year Ended June 30, 2019									
	GENERATING & TRANSMISSION RESOURCES									
	Geothermal	Hydroelectric	Multiple Capital Facilities	CT No. One	Lodi Energy Center	Transmission	Purchased Power & Transmission	Associated Member Services	Other Agency	Combined
OPERATING REVENUES										
Participants	$ 446	$ 13,675	$ 4,949	$ 7,304	$ 18,448	$ -	$ 303,346	$ 20,705	$ 1,012	$ 369,885
Other Third-party	36,274	45,105	2,137	2,016	78,574	-	162,460	2,711	4	329,281
TOTAL OPERATING REVENUES	36,720	58,780	7,086	9,320	97,022	-	465,806	23,416	1,016	699,166
OPERATING EXPENSES										
Purchased power	693	3,701	175	381	4,620	-	288,938	-	-	298,508
Operations	18,072	4,491	2,193	2,139	56,659	-	4,276	12,160	-	99,990
Transmission	269	454	50	209	757	-	178,889	5	-	180,633
Depreciation	3,914	9,471	2,204	192	14,617	-	-	104	342	30,844
Maintenance	9,265	4,242	660	7,520	5,025	-	-	124	-	26,836
Administrative and general	4,176	5,020	626	809	4,974	-	-	7,425	(3,726)	19,304
Intercompany (sales) purchases, net*	(702)	277	73	101	313	-	-	(62)	-	-
TOTAL OPERATING EXPENSES	35,687	27,656	5,981	11,351	86,965	-	472,103	19,756	(3,384)	656,115
NET OPERATING REVENUES	1,033	31,124	1,105	(2,031)	10,057	-	(6,297)	3,660	4,400	43,051
NON OPERATING (EXPENSES) REVENUES										
Interest expense	(787)	(22,289)	(1,487)	-	(14,728)	-	-	-	-	(39,291)
Interest income	1,325	1,640	166	1	1,303	-	1,813	100	4,099	10,447
Other	5	5	2,473	1	5,176	-	64	44	302	8,070
TOTAL NON OPERATING (EXPENSES) REVENUES	543	(20,644)	1,152	2	(8,249)	-	1,877	144	4,401	(20,774)
FUTURE RECOVERABLE AMOUNTS	(565)	(1,977)	(2,083)	-	911	-	-	-	(4,077)	(7,791)
REFUNDS TO PARTICIPANTS	(2,981)	(2,208)	(160)	902	1,540	-	(2,518)	(5,789)	(2,964)	(14,178)
INCREASE (DECREASE) IN NET POSITION	(1,970)	6,295	14	(1,127)	4,259	-	(6,938)	(1,985)	1,760	308
NET POSITION, Beginning of year	11,923	7,387	409	(626)	3,244	-	8,096	6,798	837	38,068
NET POSITION, End of year	$ 9,953	$ 13,682	$ 423	$ (1,753)	$ 7,503	$ -	$ 1,158	$ 4,813	$ 2,597	$ 38,376

* Eliminated in Combination

SUPPLEMENTARY INFORMATION (UNAUDITED)

COMBINING STATEMENTS OF CASH FLOW

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

	For the Year Ended June 30, 2019									
	GENERATING & TRANSMISSION RESOURCES									
	Geothermal	Hydroelectric	Multiple Capital Facilities	CT No. One	Lodi Energy Center	Transmission	Purchased Power & Transmission	Associated Member Services	Other Agency	Combined Total
CASH FLOWS FROM OPERATING ACTIVITIES										
Received from participants	$ 930	$ 13,139	$ 4,872	$ 7,154	$ 16,263	$ -	$ 303,346	$ 21,767	$ 636	$ 368,107
Received from others	35,084	42,988	2,137	2,016	78,574	-	164,132	2,711	4,596	332,238
Payments for employee services	(13,711)	(5,931)	(982)	(1,822)	(6,983)	-	-	(12,419)	-	(41,848)
Payments to suppliers for goods and services	(18,656)	(12,146)	(2,355)	(5,711)	(66,842)	-	(454,203)	(11,659)	2,954	(568,618)
Payments from(to) other programs *	702	(277)	(73)	(101)	(313)	-	-	62	-	-
NET CASH FLOWS FROM OPERATING ACTIVITIES	4,349	37,773	3,599	1,536	20,699	-	13,275	462	8,186	89,879
CASH FLOWS FROM INVESTING ACTIVITIES										
Proceeds from maturities and sales of investments	14,191	42,455	4,952	-	22,706	-	9,014	-	18,450	111,768
Interest received on cash and investments	816	634	68	1	735	-	1,173	97	1,404	4,928
Purchase of investments	(15,813)	(34,183)	(4,496)	-	(22,500)	-	(14,787)	-	(24,459)	(116,238)
NET CASH FLOWS FROM INVESTING ACTIVITIES	(806)	8,906	524	1	941	-	(4,600)	97	(4,605)	458
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES										
Acquisition and construction of electric plant	(1,492)	(259)	(372)	(35)	(47)	-	-	(100)	(43)	(2,348)
Interest paid on long-term debt	(619)	(14,428)	(1,614)	-	(14,573)	-	-	-	-	(31,234)
Principal repayment on long-term debt	(4,250)	(22,610)	(3,995)	-	(11,480)	-	-	-	-	(42,335)
Proceeds from bond issues	-	43,158	-	-	-	-	-	-	-	43,158
Payments to refund debt	-	(53,987)	-	-	-	-	-	-	-	(53,987)
NET CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	(6,361)	(48,126)	(5,981)	(35)	(26,100)	-	-	(100)	(43)	(86,746)
CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES										
Other proceeds	5	5	2,473	1	5,176	-	64	(373)	302	7,653
Refunds to participants	(2,981)	(2,208)	(160)	902	1,540	-	(2,518)	(5,789)	(2,964)	(14,178)
Payments from(to) other programs *	4,936	(5,018)	106	(2,405)	(3,064)	-	(10,230)	6,265	9,410	-
NET CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES	1,960	(7,221)	2,419	(1,502)	3,652	-	(12,684)	103	6,748	(6,525)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(858)	(8,668)	561	-	(808)	-	(4,009)	562	10,286	(2,934)
Beginning of year	8,500	29,175	928	1	4,127	-	7,738	71	53,456	103,996
End of year	$ 7,642	$ 20,507	$ 1,489	$ 1	$ 3,319	$ -	$ 3,729	$ 633	$ 63,742	$ 101,062

* Eliminated in Combination

SUPPLEMENTARY INFORMATION (UNAUDITED)

COMBINING STATEMENT OF CASH FLOW - Continued

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

	For the Year Ended June 30, 2019									
	GENERATING & TRANSMISSION RESOURCES									
	Geothermal	Hydroelectric	Multiple Capital Facilities	CT No. One	Lodi Energy Center	Transmission	Purchased Power & Transmission	Associated Member Services	Other Agency	Combined
RECONCILIATION OF NET OPERATING REVENUES TO NET CASH FLOWS FROM OPERATING ACTIVITIES										
Operating income	$ 1,033	$ 31,124	$ 1,105	$ (2,031)	$ 10,057	$ -	$ (6,297)	$ 3,660	$ 4,400	$ 43,051
Adjustments to reconcile net operating revenues to net cash from operating activities:										
Depreciation	3,914	9,471	2,204	192	14,617	-	-	104	342	30,844
	4,947	40,595	3,309	(1,839)	24,674	-	(6,297)	3,764	4,742	73,895
CASH FLOWS IMPACTED BY CHANGES IN										
Accounts receivable	(275)	-	-	-	59	-	(732)	691	139	(118)
Inventory and prepaid expense	(30)	(536)	392	1,039	(107)	-	-	(29)	19	748
Operating reserves and other deposits	(915)	(2,117)	(1)	1,966	(941)	-	2,404	(3,834)	4,417	979
Member advances	-	-	-	-	-	-	-	312	-	312
Regulatory credits	484	(536)	(77)	(150)	(2,244)	-	-	59	(340)	(2,804)
Accounts payable	138	367	(24)	520	(742)	-	17,900	(501)	(791)	16,867
NET CASH FROM OPERATING ACTIVITIES	$ 4,349	$ 37,773	$ 3,599	$ 1,536	$ 20,699	$ -	$ 13,275	$ 462	$ 8,186	$ 89,879
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENTS OF NET POSITION										
Cash and cash equivalents - current assets	$ 1	$ -	$ 1	$ 1	$ 75	$ -	$ -	$ 633	$ 42,716	$ 43,427
Cash and cash equivalents - restricted assets	7,641	20,507	1,488	-	3,244	-	3,729	-	21,026	57,635
End of year	$ 7,642	$ 20,507	$ 1,489	$ 1	$ 3,319	$ -	$ 3,729	$ 633	$ 63,742	$ 101,062

SUPPLEMENTARY INFORMATION (UNAUDITED)

COMBINING STATEMENT OF NET POSITION

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

	June 30, 2018									
	GENERATING & TRANSMISSION RESOURCES									
ASSETS	Geothermal	Hydroelectric	Multiple Capital Facilities	CT No. One	Lodi Energy Center	Transmission No. One	Purchased Power & Transmission	Associated Member Services	Other Agency	Combined
CURRENT ASSETS										
Cash and cash equivalents	$ 1	$ -	$ 1	$ 1	$ 73	$ -	$ -	$ 71	$ 38,414	$ 38,561
Investments	-	-	-	-	-	-	-	-	36,963	36,963
Accounts receivable										
Participants	-	-	-	-	59	-	-	734	157	950
Other	-	-	-	-	-	-	1,169	-	628	1,797
Interest receivable	-	-	-	-	-	-	84	-	235	319
Inventory and supplies	4,509	1,079	642	1,405	2,111	-	-	-	-	9,746
Prepaid expenses	290	351	26	38	286	-	-	11	570	1,572
Due from Agency and other programs*	16,446	10,704	2,210	(1,202)	8,673	-	17,246	14,617	(68,694)	-
TOTAL CURRENT ASSETS	21,246	12,134	2,879	242	11,202	-	18,499	15,433	8,273	89,908
RESTRICTED ASSETS										
Cash and cash equivalents	8,499	29,175	927	-	4,054	-	7,738	-	15,042	65,435
Investments	20,590	32,248	5,018	-	21,114	-	19,358	-	55,502	153,830
Interest receivable	89	173	16	-	91	-	-	-	271	640
TOTAL RESTRICTED ASSETS	29,178	61,596	5,961	-	25,259	-	27,096	-	70,815	219,905
ELECTRIC PLANT										
Electric plant in service	570,210	394,821	64,844	36,517	423,805	7,736	-	739	5,949	1,504,621
Less: accumulated depreciation	(535,654)	(262,226)	(48,363)	(34,478)	(81,554)	(7,736)	-	(398)	(3,057)	(973,466)
	34,556	132,595	16,481	2,039	342,251	-	-	341	2,892	531,155
Construction work-in-progress	-	-	-	-	182	-	-	-	-	182
TOTAL ELECTRIC PLANT	34,556	132,595	16,481	2,039	342,433	-	-	341	2,892	531,337
OTHER ASSETS										
Regulatory assets	217	134,741	10,608	-	23,789	-	-	-	61,792	231,147
Preliminary survey and investigation costs	-	-	-	-	-	-	-	18	-	18
Investment in associated companies	-	-	-	-	-	-	-	-	265	265
TOTAL OTHER ASSETS	217	134,741	10,608	-	23,789	-	-	18	62,057	231,430
TOTAL ASSETS	85,197	341,066	35,929	2,281	402,683	-	45,595	15,792	144,037	1,072,580
DEFERRED OUTFLOWS OF RESOURCES										
Excess cost on refunding of debt	1,585	37,268	893	-	2,130	-	-	-	-	41,876
Pension deferrals	61,878	-	153	-	173	-	-	-	-	62,204
Asset Retirement Obligations	-	-	-	-	-	-	-	-	19,200	19,200
TOTAL DEFERRED OUTFLOWS OF RESOURCES	63,463	37,268	1,046	-	2,303	-	-	-	19,200	123,280
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 148,660	$ 378,334	$ 36,975	$ 2,281	$ 404,986	$ -	$ 45,595	$ 15,792	$ 163,237	$ 1,195,860

* Eliminated in Combination

SUPPLEMENTARY INFORMATION (UNAUDITED)

COMBINING STATEMENT OF NET POSITION

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

	June 30, 2018									
	GENERATING & TRANSMISSION RESOURCES									
	Geothermal	Hydroelectric	Multiple Capital Facilities	CT No. One	Lodi Energy Center	Transmission	Purchased Power & Transmission	Associated Member Services	Other Agency	Combined
LIABILITIES										
CURRENT LIABILITIES										
Accounts payable and accrued expenses	$ 176	$ 713	$ 25	$ -	$ 1,362	$ -	$ 10,319	$ 501	$ 8,924	$ 22,020
Member advances	791	-	-	-	-	-	-	277	-	1,068
Operating reserves	6,213	249	514	703	13,649	-	-	-	-	21,328
Current portion of long-term debt	4,250	22,610	3,995	-	11,480	-	-	-	-	42,335
Accrued interest payable	347	6,364	710	-	1,217	-	-	-	-	8,638
TOTAL CURRENT LIABILITIES	11,777	29,936	5,244	703	27,708	-	10,319	778	8,924	95,389
NON-CURRENT LIABILITIES										
Net pension liability	-	-	-	-	-	-	-	-	76,002	76,002
Operating reserves and other deposits	1,500	17,089	-	-	1,716	-	27,180	7,938	70,816	126,239
Interest rate swap liability	63,387		153		173					63,713
Asset Retirement Obligations	-	11,109	-	-	-	-	-	-	-	11,109
Long-term debt, net	24,520	308,657	30,228	-	331,192	-	-	-	-	694,597
TOTAL NON-CURRENT LIABILITIES	89,407	336,855	30,381	-	333,081	-	27,180	7,938	146,818	971,660
TOTAL LIABILITIES	101,184	366,791	35,625	703	360,789	-	37,499	8,716	155,742	1,067,049
DEFERRED INFLOWS OF RESOURCES										
Regulatory credits	35,553	4,156	941	2,204	40,953	-	-	278	3,463	87,548
Pension deferrals	-	-	-	-	-	-	-	-	3,195	3,195
TOTAL DEFERRED INFLOWS OF RESOURCES	35,553	4,156	941	2,204	40,953	-	-	278	6,658	90,743
NET POSITION										
Net investment in capital assets	(3,980)	(37,214)	(7,137)	-	(12,876)	-	-	-	-	(61,207)
Restricted for:										
Debt service	8,555	32,488	5,251	-	12,846	-	-	-	-	59,140
Other programs	(204)	1,560	-	-	(121)	-	-	-	-	1,235
Unrestricted	7,552	10,553	2,295	(626)	3,395	-	8,096	6,798	837	38,900
TOTAL NET POSITION	11,923	7,387	409	(626)	3,244	-	8,096	6,798	837	38,068
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	$ 148,660	$ 378,334	$ 36,975	$ 2,281	$ 404,986	$ -	$ 45,595	$ 15,792	$ 163,237	$ 1,195,860

SUPPLEMENTARY INFORMATION (UNAUDITED)

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

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

	For the Year Ended June 30, 2018									
	GENERATING & TRANSMISSION RESOURCES									
	Geothermal	Hydroelectric	Multiple Capital Facilities	CT No. One	Lodi Energy Center	Transmission	Purchased Power & Transmission	Associated Member Services	Other Agency	Combined
OPERATING REVENUES										
Participants	$ 5,912	$ 18,964	$ 6,453	$ 1,556	$ 26,570	$ -	$ 303,116	$ 19,875	$ 825	$ 383,271
Other third-party	28,381	28,445	1,194	2,523	51,455	-	64,476	2,647	-	179,121
TOTAL OPERATING REVENUES	34,293	47,409	7,647	4,079	78,025	-	367,592	22,522	825	562,392
OPERATING EXPENSES										
Purchased power	400	2,841	364	392	4,789	-	215,411	-	-	224,197
Operations	17,100	3,971	1,763	1,844	37,784	-	3,452	9,800	-	75,714
Transmission	302	(32)	(20)	(10)	812	-	136,194	5	-	137,251
Depreciation	3,897	9,663	2,207	184	14,612	-	-	40	312	30,915
Maintenance	5,348	8,198	677	1,937	5,224	-	-	113	-	21,497
Administrative and general	4,946	4,691	724	775	4,402	-	-	7,834	(2,232)	21,140
Intercompany (sales) purchases, net*	(666)	270	64	111	295	-	-	(74)	-	-
TOTAL OPERATING EXPENSES	31,327	29,602	5,779	5,233	67,918	-	355,057	17,718	(1,920)	510,714
NET OPERATING REVENUES	2,966	17,807	1,868	(1,154)	10,107	-	12,535	4,804	2,745	51,678
NON OPERATING (EXPENSES) REVENUES										
Interest expense	(946)	(15,901)	(2,696)	-	(15,185)	-	-	-	-	(34,728)
Interest income	320	446	8	-	172	-	428	43	(172)	1,245
Other	20	3,564	1,471	-	2,440	-	-	44	385	7,924
TOTAL NON OPERATING (EXPENSES) REVENUES	(606)	(11,891)	(1,217)	-	(12,573)	-	428	87	213	(25,559)
FUTURE RECOVERABLE AMOUNTS	(516)	(11,268)	(856)	-	2,144	-	-	-	(1,301)	(11,797)
REFUNDS TO PARTICIPANTS	(2,994)	(1,058)	(151)	428	(2,641)	-	(1,099)	(2,585)	(214)	(10,314)
INCREASE (DECREASE) IN NET POSITION	(1,150)	(6,410)	(356)	(726)	(2,963)	-	11,864	2,306	1,443	4,008
NET POSITION, Beginning of year	13,073	13,797	765	100	6,207	-	(3,768)	4,492	(606)	34,060
NET POSITION, End of year	$ 11,923	$ 7,387	$ 409	$ (626)	$ 3,244	$ -	$ 8,096	$ 6,798	$ 837	$ 38,068

* Eliminated in Combination

SUPPLEMENTARY INFORMATION (UNAUDITED)

COMBINING STATEMENTS OF CASH FLOW

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

	For the Year Ended June 30, 2018									
	GENERATING & TRANSMISSION RESOURCES									
	Geothermal	Hydroelectric	Multiple Capital Facilities	CT No. One	Lodi Energy Center	Transmission	Purchased Power & Transmission	Associated Member Services	Other Agency	Combined Total
CASH FLOWS FROM OPERATING ACTIVITIES										
Received from participants	$ 5,617	$ 19,098	$ 6,462	$ 1,873	$ 25,144	$ -	$ 303,724	$ 19,237	$ 1,109	$ 382,264
Received from others	28,381	29,613	1,194	2,523	51,455	-	73,173	2,647	(10,100)	178,886
Payments for employee services	(12,252)	(5,784)	(957)	(1,395)	(6,670)	-	-	(11,642)	-	(38,700)
Payments to suppliers for goods and services	(14,277)	(13,979)	(2,520)	(3,503)	(44,863)	-	(364,213)	1,700	2,585	(439,070)
Payments from(to) other programs *	666	(270)	(64)	(111)	(295)	-	-	74	-	-
NET CASH FLOWS FROM OPERATING ACTIVITIES	8,135	28,678	4,115	(613)	24,771	-	12,684	12,016	(6,406)	83,380
CASH FLOWS FROM INVESTING ACTIVITIES										
Proceeds from maturities and sales of investments	14,191	30,136	4,952	-	22,706	-	9,014	-	18,450	99,449
Interest received on cash and investments	482	511	59	-	401	-	571	43	1,179	3,246
Purchase of investments	(18,217)	(34,217)	(5,012)	-	(23,937)	-	(10,029)	-	(37,832)	(129,244)
NET CASH FLOWS FROM INVESTING ACTIVITIES	(3,544)	(3,570)	(1)	-	(830)	-	(444)	43	(18,203)	(26,549)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES										
Acquisition and construction of electric plant	(711)	(547)	(18)	(272)	(240)	-	-	(76)	(547)	(2,411)
Interest paid on long-term debt	(778)	(15,856)	(1,783)	-	(15,537)	-	-	-	-	(33,954)
Principal repayment on long-term debt	(3,995)	(21,385)	(3,760)	-	(10,690)	-	-	-	-	(39,830)
Proceeds from bond issues	-	78,468	-	-	38,970	-	-	-	-	117,438
Payments to refund debt	-	(78,948)	-	-	(38,766)	-	-	-	-	(117,714)
NET CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	(5,484)	(38,268)	(5,561)	(272)	(26,263)	-	-	(76)	(547)	(76,471)
CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES										
Other proceeds	20	3,564	1,471	-	2,440	-	-	26	385	7,906
Refunds to participants	(2,994)	(1,058)	(151)	428	(2,641)	-	(1,099)	(2,585)	(214)	(10,314)
Payments from(to) other programs *	1,888	7,907	97	457	1,474	-	(7,296)	(9,392)	4,865	-
NET CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES	(1,086)	10,413	1,417	885	1,273	-	(8,395)	(11,951)	5,036	(2,408)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(1,979)	(2,747)	(30)	-	(1,049)	-	3,845	32	(20,120)	(22,048)
Beginning of year	10,479	31,922	958	1	5,176	-	3,893	39	73,576	126,044
End of year	$ 8,500	$ 29,175	$ 928	$ 1	$ 4,127	$ -	$ 7,738	$ 71	$ 53,456	$ 103,996

* Eliminated in Combination

SUPPLEMENTARY INFORMATION (UNAUDITED)

COMBINING STATEMENT OF CASH FLOW - Continued

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

	For the Year Ended June 30, 2018									
	GENERATING & TRANSMISSION RESOURCES									
	Geothermal	Hydroelectric	Multiple Capital Facilities	CT No. One	Lodi Energy Center	Transmission	Purchased Power & Transmission	Associated Member Services	Other Agency	Combined
RECONCILIATION OF NET OPERATING REVENUES TO NET CASH FLOWS FROM OPERATING ACTIVITIES										
Operating income	$ 2,966	$ 17,807	$ 1,868	$ (1,154)	$ 10,107	$ -	$ 12,535	$ 4,804	$ 2,745	$ 51,678
Adjustments to reconcile net operating revenues to net cash from operating activities:										
Depreciation	3,897	9,664	2,206	183	14,613	-	-	40	312	30,915
	6,863	27,471	4,074	(971)	24,720	-	12,535	4,844	3,057	82,593
CASH FLOWS IMPACTED BY CHANGES IN										
Accounts receivable	-	-	64	225	(59)	-	4,589	(686)	(233)	3,900
Inventory, prepaid expense, and unused vendor credits	44	(77)	(2)	(4)	(26)	-	-	7	(205)	(263)
Operating reserves and other deposits	1,929	1,168	1	60	1,244	-	4,716	7,899	(9,972)	7,045
Member advances	-	-	-	-	-	-	-	75	-	75
Regulatory credits	(715)	133	(54)	93	(1,368)	-	-	(27)	389	(1,549)
Accounts payable	14	(17)	32	(16)	260	-	(9,156)	(96)	558	(8,421)
NET CASH FROM OPERATING ACTIVITIES	$ 8,135	$ 28,678	$ 4,115	$ (613)	$ 24,771	$ -	$ 12,684	$ 12,016	$ (6,406)	$ 83,380
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENTS OF NET POSITION										
Cash and cash equivalents - current assets	$ 1	$ -	$ 1	$ 1	$ 73	$ -	$ -	$ 71	$ 38,414	$ 38,561
Cash and cash equivalents - restricted assets	8,499	29,175	927	-	4,054	-	7,738	-	15,042	65,435
End of year	$ 8,500	$ 29,175	$ 928	$ 1	$ 4,127	$ -	$ 7,738	$ 71	$ 53,456	$ 103,996

GENERATION ENTITLEMENT SHARES - UNAUDITED

NORTHERN CALIFORNIA POWER AGENCY
AND ASSOCIATED POWER CORPORATIONS

	Table of Generation Entitlement Shares					LEC Debt Shares	
	Geothermal Project No. 3	Hydroelectric Project No. One	Capital Facilities Project	Combustion Turbine No. One	Lodi Energy Center (LEC)	LEC Indenture Group A	LEC Indenture Group B
NCPA Member Participants:							
Alameda	16.8825%	10.0000%	19.0000%	21.8200%			
BART					6.6000%	11.8310%	
Biggs	0.2270%			0.1970%	0.2679%	0.4802%	
Gridley	0.3360%			0.3500%	1.9643%	3.5212%	
Healdsburg	3.6740%	1.6600%		5.8330%	1.6428%	2.9448%	
Lodi	10.2800%	10.3700%	39.5000%	13.3930%	9.5000%	17.0295%	
Lompoc	3.6810%	2.3000%	5.0000%	5.8330%	2.0357%	3.6491%	
Palo Alto		22.9200%					
Plumas-Sierra REC	0.7010%	1.6900%		1.8170%	0.7857%	1.4084%	
Roseville	7.8830%	12.0000%	36.5000%				
Santa Clara	44.3905%	37.0200%		41.6670%	25.7500%	46.1588%	
Ukiah	5.6145%	2.0400%		9.0900%	1.7857%	3.2010%	
Other Participants:							
Azuza					2.7857%	4.9936%	
California Dept. of Water Resources					33.5000%		100.0000%
Modesto Irrigation District					10.7143%		
Power & Water Resources Pooling Agency					2.6679%	4.7824%	
Turlock Irrigation District	6.3305%						
	100.0000%	100.0000%	100.0000%	100.0000%	100.0000%	100.000%	100.000%
	Note A	Note A, B		Note A	Note B		

Note A: Project Entitlement shares are after transfers among participants.
Note B: Project Generation Shares may vary from project cost shares due to varied financing and fuel supply arrangements.

NORTHERN CALIFORNIA POWER AGENCY AND ASSOCIATED POWER CORPORATIONS

Roseville, California

COMMUNICATION TO THOSE CHARGED WITH GOVERNANCE AND MANAGEMENT

As of and for the Year Ended June 30, 2019

NORTHERN CALIFORNIA POWER AGENCY AND ASSOCIATED POWER CORPORATIONS

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REQUIRED COMMUNICATION OF INTERNAL CONTROL RELATED MATTERS IDENTIFIED IN THE AUDIT TO THOSE CHARGED WITH GOVERNANCE

bakertilly

The Finance Committee
Northern California Power Agency and Associated Power Corporations
Roseville, California

In planning and performing our audit of the combined financial statements of Northern California Power Agency and Associated Power Corporations (the "Agency") as of and for the year ended June 30, 2019, in accordance with auditing standards generally accepted in the United States of America, we considered its internal control over financial reporting (internal control) as a basis for designing our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of its internal control. Accordingly, we do not express an opinion on the effectiveness of its internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses or significant deficiencies.

This communication is intended solely for the information and use of management, the Committee, and others within the organization and is not intended to be, and should not be, used by anyone other than these specified parties.

Baker Tilly Virchow Krause, LLP

Madison, Wisconsin
October 2, 2019

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OTHER COMMUNICATIONS WITH THOSE CHARGED WITH GOVERNANCE

TWO WAY COMMUNICATION REGARDING YOUR AUDIT

As part of our audit of your financial statements, we are providing communications to you throughout the audit process. Auditing requirements provide for two way communication, and these communications are important in assisting the auditor and you with obtaining more information relevant to the audit.

As this past audit is concluded, we use what we have learned to begin the planning process for next year's audit. It is important that you understand the following points about the scope and timing of our next audit:

a. We address the significant risks of material misstatement, whether due to fraud or error, through our detailed audit procedures.

b. We will obtain an understanding of the five components of internal control sufficient to assess the risk of material misstatement of the financial statements whether due to error or fraud, and to design the nature, timing, and extent of further audit procedures. We will obtain a sufficient understanding by performing risk assessment procedures to evaluate the design of controls relevant to an audit of financial statements and to determine whether they have been implemented. We will use such knowledge to:

   > Identify types of potential misstatements.

   > Consider factors that affect the risks of material misstatement.

   > Design tests of controls, when applicable, and substantive procedures.

   We will not express an opinion on the effectiveness of internal control over financial reporting or compliance with laws, regulations, and provisions of contracts or grant programs.

c. The concept of materiality recognizes that some matters, either individually or in the aggregate, are important for fair presentation of financial statements in conformity with generally accepted accounting principles while other matters are not important. In performing the audit, we are concerned with matters that, either individually or in the aggregate, could be material to the financial statements. Our responsibility is to plan and perform the audit to obtain reasonable assurance that material misstatements, whether caused by errors or fraud, are detected.

We are very interested in your views regarding certain matters. Those matters are listed here:

a. We typically will communicate with your top level of management unless you tell us otherwise.

b. We understand that the Finance Committee has the responsibility to oversee the strategic financial direction of your organization, as well as the overall accountability of the entity. Management has the responsibility for achieving the objectives of the entity.

c. We need to know your views about your organization's objectives and strategies, and the related business risks that may result in material misstatements.

d. Which matters do you consider warrant particular attention during the audit, and are there any areas where you request additional procedures to be undertaken?

e. Have you had any significant communications with regulators or grantor agencies?

f. Are there other matters that you believe are relevant to the audit of the financial statements or the federal or state awards?

TWO WAY COMMUNICATION REGARDING YOUR AUDIT (cont.)

Also, is there anything that we need to know about the attitudes, awareness, and actions of the Finance Committee concerning:

a. The Agency's internal control and its importance in the entity, including how those charged with governance oversee the effectiveness of internal control?

b. The detection or the possibility of fraud?

We also need to know if you have taken actions in response to developments in financial reporting, laws, accounting standards, governance practices, or other related matters, or in response to previous communications with us.

With regard to the timing of our audit, here is some general information. If necessary, we may do preliminary financial audit work during the months of June or July. Our final financial fieldwork is scheduled during the summer to best coincide with your readiness and report deadlines. After fieldwork, we wrap up our financial audit procedures at our office and may issue drafts of our report for your review. Final copies of our report and other communications are issued after approval by your staff. This is typically 6-12 weeks after final fieldwork, but may vary depending on a number of factors.

Keep in mind that while this communication may assist us with planning the scope and timing of the audit, it does not change the auditor's sole responsibility to determine the overall audit strategy and the audit plan, including the nature, timing, and extent of procedures necessary to obtain sufficient appropriate audit evidence.

We realize that you may have questions on what this all means, or wish to provide other feedback. We welcome the opportunity to hear from you.

COMMUNICATION OF OTHER CONTROL DEFICIENCIES, RECOMMENDATIONS AND INFORMATIONAL POINTS TO MANAGEMENT THAT ARE NOT MATERIAL WEAKNESSES OR SIGNIFICANT DEFICIENCIES

INFORMATIONAL POINTS

UPCOMING LEASE STANDARD

In June 2017, the Governmental Accounting Standards Board (GASB) issued new guidance to establish a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. This standard is effective for the Agency's fiscal year June 30, 2021. Statement No. 87, *Leases*, requires recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognize as inflows of resources or outflow of resources based on the payment provisions of the contract.

Under the new standard, a lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset (underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. Control is defined by 1) the right to obtain the present service capacity from the use of the underlying asset and 2) the right to determine the nature and manner of use of the underlying asset. Any contract that meets this definition should be accounted for under the lease guidance, unless specifically excluded in this statement. Leases include contracts that, although not explicitly identified as leases, meet the above definition of a lease.

There are some exemptions outlined in the standard including, intangible assets, service concession arrangements and supply contracts.

We recommend the Agency review this standard and start planning how this will affect your financial reporting. An inventory of all contracts that might meet the definition of a lease should be started. The contract listing should include key terms of the contracts such as:

- Description of contract
- Underlying asset
- Contract term
- Options for extensions and terminations
- Service components, if any
- Dollar amount of lease

In addition, the Agency should begin to establish a lease policy to address the treatment of common lease types, including a dollar threshold for each lease. We are available to discuss this further and help you develop an action plan.

PRIOR YEAR COMMENTS AND RECOMMENDATIONS

CAISO PAYABLE RECONCILIATION

The Agency's participation in the California ISO market requires an accounting of a significant amount of charge codes and transaction types included on each monthly invoice. Each line item on the CAISO invoice is recorded in the Agency's general ledger system dependent upon the type of service and customer or project involved. At the end of the fiscal year, an accrual is made for the net receivable or payable from/to CAISO. During the audit, we noted the Agency's year-end reconciliation of the CAISO payable account included an unreconciled amount totaling $558,000, an increase of approximately $94,000 from the previous year. At the conclusion of the audit, it was indeterminate as to what the variance specifically related to and therefore difficult to identify an appropriate adjustment. The unreconciled variance was not material to the financial statements, however, it grew significantly from the prior year. We recommend the Agency work to reconcile the unidentified variance and reconcile the account monthly.

PRIOR YEAR COMMENTS AND RECOMMENDATIONS (cont.)

CAISO PAYABLE RECONCILIATION (cont.)

Status Update - 6/30/2019

During the fiscal year, management dedicated resources toward reconciling the account balance and believes the final reconciling item represents an amount to be billed by CAISO in future periods. The cause of the reconciling item stems from timing differences in member billings to billings received from CAISO due to the timing of the market balancing. We consider this point cleared.

Management's Response

Reconciliation of unidentified CAISO payable variance and monthly reconciliation thereafter. The Agency reconciled the payable account and was available to auditors during final audit fieldwork.

INVENTORY PROCESSES AND INTERNAL CONTROLS

During the course of the current year audit, a review of inventory processes and internal controls was conducted to understand the control environment supporting inventory. We performed inventory test counts and tested the valuation methods used to quantify inventory balances included in the financial statements. Through these testing procedures, we noted several areas in the inventory process where improvements could be made.

Revision of Inventory Policy – The Agency's current inventory policy does not clearly define what an inventory item is and what is considered a consumable item. The absence of such distinction leads to inconsistent tracking of purchases made at the plant sites and the use of materials. An inventory policy should define all policies, procedures and controls surrounding the inventory process including the identification of obsolete inventory.

General Ledger Balancing – Inventory maintained at the geothermal facility is manually counted by Agency staff on an annual basis. The detailed counts include a full listing of materials on-hand at the end of the fiscal year. The total balance of this listing is approximately $1.7M lower than the inventory balance stated in the financial statements. The inventory listing and general ledger balance should equal at the end of each fiscal period.

Material Issuances to Work Orders – Properly functioning inventory systems allow for the accurate tracking of materials from initial purchase to use in operations. The Agency's current inventory system records the purchase of materials to the inventory system, however, materials are not issued to work orders that integrate with Great Plains or reduced from the inventory account. A properly functioning inventory system allows for accurate tracking of material purchases to the inventory account and issuances to work orders that post to the GL. This situation contributes to the general ledger balancing comment noted above.

Establishment of Pricing Method – The Agency's current inventory listing is formulated using the average cost pricing method to track the total value of materials. This methodology groups the purchase price of all materials purchased within a certain material number and averages the total cost of each purchase regardless of when it is purchased. While this is the case for a majority of the materials included on the inventory list provided during the audit, we noted multiple prices were estimated by plant personnel and not based upon historical purchase price. An accurate inventory listing should using the average costing method for all materials included in the listing.

PRIOR YEAR COMMENTS AND RECOMMENDATIONS (cont.)

INVENTORY PROCESSES AND INTERNAL CONTROLS (cont.)

As a result of the items identified above, it is difficult to assess the accuracy and validity of the inventory balance included in the financial statements. We were able to gain comfort in the fact that our inventory test counts revealed trivial differences between inventory listings provided and actual quantities on-hand and the total overall inventory balance was not material to the financial statements. We recommend the Agency review its current inventory practices and consider developing improvements to address the comments noted above.

Status Update - 6/30/2019

During the fiscal year, management has developed internal policies and procedures surrounding the inventory process, and has worked to implement changes and reconcile inventory at all locations with the exception of the Geothermal Plant. Management is working on reconciling inventory at the last location in fiscal year 2020.

Management's Response

Revision of Inventory Policy – The Agency developed a new procedure in fiscal year 2019 that clearly identifies what constitutes inventory versus consumables. The procedure includes definitions for obsolete and impaired inventory as well. The Agency will use the procedure to ensure consistent tracking of purchases made at the plant sites and the use of materials. In addition, the Agency will train employees on the procedure to ensure consistent application.

General Ledger Balancing – The Agency has developed a methodology to assign cost to all inventory units and revise both the inventory listing and the general ledger value of inventory during fiscal year 2019 so that their values are the same by June 30, 2019.

Material Issuances to Work Orders - The Agency has developed a process for plant staff to provide Accounting with the information needed to record inventory issuances using quantities and the corresponding average unit prices. The Agency will implement the new process in fiscal year 2019.

Establishment of Pricing Method - The Agency developed a methodology to price all items that are in inventory during fiscal year 2019 and will track those prices and record issues at an average price for respective material numbers.

REQUIRED COMMUNICATIONS BY THE AUDITOR TO THOSE CHARGED WITH GOVERNANCE

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The Finance Committee
Northern California Power Agency and Associated Power Corporations
Roseville, California

Thank you for using Baker Tilly Virchow Krause, LLP as your auditor.

We have completed our audit of the financial statements of Northern California Power Agency and Associated Power Corporations (Agency) for the year ended June 30, 2019, and have issued our report thereon dated October 2, 2019. This letter presents communications required by our professional standards.

Our Responsibility under Auditing Standards Generally Accepted in the United States of America

The objective of a financial statement audit is the expression of an opinion on the financial statements. We conducted the audit in accordance with auditing standards generally accepted in the United States of America. These standards require that we plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements prepared by management with your oversight are free of material misstatement, whether caused by error or fraud. Our audit included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit does not relieve management or the Finance Committee of their responsibilities.

As part of the audit we obtained an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing and extent of further audit procedures. The audit was not designed to provide assurance on internal control or to identify deficiencies in internal control.

Other Information in Documents Containing Audited Financial Statements

Our responsibility does not extend beyond the audited financial statements identified in this report. We do not have any obligation to and have not performed any procedures to corroborate other information contained in client prepared documents, such as official statements related to debt issues.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our prior year management letter dated October 9, 2018.

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QUALITATIVE ASPECTS OF THE ENTITY'S SIGNIFICANT ACCOUNTING PRACTICES

Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by The Finance Committee are described in Note B to the financial statements. As described in Note B to the financial statements, the Agency changed accounting policies related to financial reporting for asset retirement obligations by adopting Statements of Governmental Accounting Standards (GASB) Statement No.83, *Certain Asset Retirement Obligations* in fiscal year 2019. We noted no transactions entered into by the Agency during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Management's estimate of other post-employment benefits based on information provided by the Agency's actuary. We evaluated the key factors and assumptions used to develop the other post-employment benefit (OPEB) asset and related deferrals in determining that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of the net pension liability and related deferrals are based on information provided by CalPERS. We evaluated the key factors and assumptions used to develop the pension liability and related deferrals in determining that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of decommissioning costs based on the Black & Veatch draft report dated October 14, 2017 and DAREnterprises, LLC's Decom Cost and Timing report from 2006. We evaluated the key factors and assumptions used to develop the decommissioning cost estimate and have determined that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of derivative valuation based on PFM's report. We evaluated the key factors and assumptions used to develop the market valuation in determining that it is reasonable in relation to the financial statements taken as a whole.

Financial Statement Disclosures

The disclosures in the notes to the financial statements are neutral, consistent, and clear.

DIFFICULTIES ENCOUNTERED IN PERFORMING THE AUDIT

We encountered no significant difficulties in dealing with management in performing our audit.

CORRECTED AND UNCORRECTED MISSTATEMENTS

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, the misstatement detected as a result of audit procedures and corrected by management was not material to the financial statements taken as a whole.

DISAGREEMENTS WITH MANAGEMENT

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

CONSULTATIONS WITH OTHER INDEPENDENT ACCOUNTANTS

In some cases, management may decide to consult with other accountants about auditing and accounting matters. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

MANAGEMENT REPRESENTATIONS

We have requested certain representations from management that are included in the management representation letter. This letter follows this required communication.

INDEPENDENCE

We are not aware of any relationships between Baker Tilly Virchow Krause, LLP and the Northern California Power Agency and Associated Power Corporations that, in our professional judgment, may reasonably be thought to bear on our independence.

Relating to our audit of the financial statements of Northern California Power Agency and Associated Power Corporations for the year ended June 30, 2019, Baker Tilly Virchow Krause, LLP hereby confirms that we are, in our professional judgment, independent with respect to the Northern California Power Agency and Associated Power Corporations in accordance with the Code of Professional Conduct issued by the American Institute of Certified Public Accountants. We provided no services to the Northern California Power Agency and Associated Power Corporations other than audit services provided in connection with the audit of the current year's financial statements and nonaudit services which in our judgment do not impair our independence.

OTHER AUDIT FINDINGS OR ISSUES

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Northern California Power Agency and Associated Power Corporations' auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

OTHER MATTERS

We applied certain limited procedures to the required supplementary information (RSI) that supplements the basic combined financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

***OTHER MATTERS** (CONT.)*

We were not engaged to report on the other information, which accompanies the financial statements but are not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

RESTRICTION ON USE

This information is intended solely for the use of the Finance Committee and management and is not intended to be, and should not be, used by anyone other than these specified parties.

We welcome the opportunity to discuss the information included in this letter and any other matters. Thank you for allowing us to serve you.

Baker Tilly Virchow Krause, LLP

Madison, Wisconsin
October 2, 2019

MANAGEMENT REPRESENTATIONS

A PUBLIC AGENCY
NCPA
NORTHERN CALIFORNIA POWER AGENCY

651 Commerce Drive
Roseville, CA 95678

(916) 781-3636

www.ncpa.com

October 2, 2019

Baker Tilly Virchow Krause, LLP
Ten Terrace Court
P.O. Box 7398
Madison, WI 53707-7398

Dear Baker Tilly Virchow Krause, LLP:

We are providing this letter in connection with your audit of the combined financial statements of the Northern California Power Agency and Associated Power Corporations (the Agency) as of June 30, 2019 and 2018, and for the years then ended for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, the respective financial position of the business-type activities of the Agency and the respective changes in financial position and cash flows, where applicable, in conformity with accounting principles generally accepted in the United States of America. We confirm that we are responsible for the fair presentation of the previously mentioned financial statements in conformity with accounting principles generally accepted in the United States of America. We are also responsible for adopting sound accounting policies, establishing and maintaining internal control over financial reporting, and preventing and detecting fraud.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, the following representations made to you during your audit.

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter.
2. The financial statements referred to above are fairly presented in conformity with accounting principles generally accepted in the United States of America and include all properly classified funds and other financial information of the utility required by accounting principles generally accepted in the United States of America to be included in the financial reporting entity.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. Significant assumptions we used in making accounting estimates, if any, are reasonable.
6. All events subsequent to the date of the financial statements and for which accounting principles generally accepted in the United States of America require adjustment or disclosure have been adjusted or disclosed. No other events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.
7. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
8. All known audit and bookkeeping adjustments have been included in our financial statements, and we are in agreement with those adjustments.
9. There are no known or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements except as described in the Outside Counsel Response. There are no unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with accounting principles generally accepted in the United States of America.
10. Guarantees, whether written or oral, under which the Agency is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

11. We have provided you with:
    a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as financial records and related data, documentation, and other matters.
    b. Additional information that you have requested from us for the purpose of the audit.

c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
d. Minutes of the meetings of the Board of Commissioners or summaries of actions of recent meetings for which minutes have not yet been prepared.

12. We have disclosed to you results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
13. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
    a. Management,
    b. Employees who have significant roles in internal control, or
    c. Others where the fraud could have material effect on the financial statements.
14. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, regulators, or others.
15. We have no knowledge of known instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
16. There are no known related parties or related party relationships and transactions of which we are aware.

Other

17. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
18. The Agency has no plans or intentions that may materially affect the carrying value or classification of assets, liability, or equity.
19. We are responsible for compliance with federal, state, and local laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits, debt contracts, and IRS arbitrage regulations; and we have identified and disclosed to you all federal, state, and local laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.
20. There are no:
    a. Violations or possible violations of budget ordinances, federal, state, and local laws or regulations (including those pertaining to adopting, approving and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, or for reporting on noncompliance, except those already disclosed in the financial statement, if any.

b. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by accounting principles generally accepted in the United States of America.
c. Rates being charged to customers other than the rates as authorized by the applicable authoritative body.
d. Violations of restrictions placed on revenues as a result of bond resolution covenants such as revenue distribution or debt service funding.

21. The Agency has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
22. The Agency has complied with all aspects of contractual agreements that would have a material effect on the financial statement in the event of noncompliance.
23. The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations, if any.
24. Components of net position (net investment in capital assets; restricted; and unrestricted) are properly classified and, if applicable, approved.
25. We believe that we have properly identified all derivative instruments and any embedded derivative instruments that require bifurcation. The utility's hedging activities, if any, are in accordance with its documented and approved hedging and risk management policies. The utility follows the valuation, accounting, reporting and disclosure requirements outlined in GASB No. 53. We believe the timing, nature, and amounts of all forecasted transactions are probable of occurring. The fair values of all derivatives and hedged items have been determined based on prevailing market prices or by using financial models that we believe are the most appropriate models for valuing such instruments and that incorporate market data and other assumptions that we have determined to be reasonable and appropriate at year end.
26. Deposits and investments are properly classified, valued, and disclosed (including risk disclosures, collateralization agreements, valuation methods, and key inputs, as applicable).
27. Provision, when material, has been made to reduce excess or obsolete inventories to their estimated net realizable value.
28. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated/amortized. Any known impairments have been recorded and disclosed.
29. Tax-exempt bonds issued have retained their tax-exempt status.
30. The operations and rate setting process meet the condition for application of accounting for regulated operations as outlined in GASB No. 62. All regulatory items included in the financial statements have been approved and are being accounted for in accordance with specific action taken by the regulatory body and as such the expectation of future recovery or refund is reasonable.

31. We have appropriately disclosed the Agency's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available and have determined that net position were properly recognized under the policy.
32. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
33. With respect to the supplementary information, (SI):
    a. We acknowledge our responsibility for presenting the SI in accordance with accounting principles generally accepted in the United States of America, and we believe the SI, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the SI have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
    b. If the SI is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.
34. We assume responsibility for, and agree with, the findings of specialists in evaluating the OPEB liability, pension liability, and asset retirement obligations and have adequately considered the qualifications of the specialists in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had impact on the independence or objectivity of the specialists.
35. We agree with the restatement presented in the current year's financial statements in accordance with implementation of GASB 83.
36. We have implemented GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions, and believe that all liabilities, deferred outflows and deferred inflows have been identified and properly classified in the financial statements and any other required classifications and RSI have been computed in compliance with the Standard.
37. We are responsible for the estimation methods and assumptions used in measuring assets and liabilities reported or disclosed at fair value, including information obtained from brokers, pricing services or third parties. Our valuation methodologies have been consistently applied from period to period. The fair value measurements reported or disclosed represent our best

estimate of fair value as the measurement date in accordance with the requirements of GASB 72 – Fair Value Measurement. In addition our disclosures related to fair value measurements are consistent with the objectives outlined in GASB 72. We have evaluated the fair value information provided to us by brokers, pricing services or other parties that has been used in the financial statements and believe this information to be reliable and consistent with the requirements.

38. We have implemented GASB Statement No. 83, Certain Asset Retirement Obligations, and believe that all required disclosures and accounting considerations have been identified and properly classified in compliance with the Standard.

Sincerely,

Northern California Power Agency and Associated Power Corporations

Signed: _____
RANDY S. HOWARD
General Manager

Signed: _____
MONTY HANKS
Assistant General Manager, Administrative Services/CFO

Signed: _____
SONDRA AINSWORTH
Treasurer-Controller

bakertilly

To the Commissioners of
Northern California Power Agency and Associated Power Corporations
Roseville, California

We have audited, in accordance with auditing standards generally accepted in the United States of America, the combined financial statements of the Northern California Power Agency and Associated Power Corporations (the Agency) as of and for the years ended June 30, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the combined basic financial statements of the Agency, and have issued our report thereon dated October 2, 2019.

In connection with our audit, nothing came to our attention that caused us to believe that the Agency failed to comply with the terms, covenants, provisions, or conditions of the Indentures of Trust for the bonds described in Attachment A between U.S. Bank and the Agency, insofar as they relate to financial and accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Agency's noncompliance with the above-referenced terms, covenants, provisions, or conditions of the Indenture, insofar as they relate to accounting matters.

This report is intended solely for the information and use of the Board of Commissioners of the Agency and U.S. Bank, and is not intended to be and should not be used by anyone other than these specified parties.

Baker Tilly Virchow Krause, LLP

Madison, Wisconsin
October 2, 2019

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Attachment A

- Geothermal Project Number 3 Revenue Bonds, 2009 Series A, dated March 2009
- Geothermal Project Number 3 Revenue Bonds, 2012 Series A, dated September 2012
- Geothermal Project Number 3 Revenue Refunding Bonds, 2016 Series A, dated September 2016
- Hydroelectric Project Number One Revenue Bonds, 1992 Refunding Series A, dated June 1992
- Hydroelectric Project Number One Revenue Bonds, 2008 Refunding Series A & B, dated April 2008
- Hydroelectric Project Number One Revenue Bonds, 2010 Refunding Series A, dated April 2010
- Hydroelectric Project Number One Revenue Bonds, 2012 Refunding Series A & B, dated February 2012
- **Hydroelectric Project Number One Revenue Bonds, 2018 Refunding Series A & B, dated March, 2018**
- **Hydroelectric Project Number One Revenue Bonds, 2019 Refunding Series A & B, dated April, 2019**
- Capital Facilities Project Revenue Bonds, 2010 Refunding Series A, dated January 2010
- Lodi Energy Center Revenue Bonds, Issue One, 2010 Series A & B, dated June 2010
- Lodi Energy Center Revenue Bonds, Issue Two, 2010 Series A & B, dated June 2010
- Lodi Energy Center Revenue Bonds, Issue One, 2017 Series A, dated December 2017

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To the Commissioners of
Northern California Power Agency and Associated Power Corporations
Roseville, California

We have audited, in accordance with auditing standards generally accepted in the United States of America, the combined financial statements of the Northern California Power Agency and Associated Power Corporations (the Agency) as of and for the years ended June 30, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the combined basic financial statements of the Agency, and have issued our report thereon dated October 2, 2019.

In connection with our audit, nothing came to our attention that caused us to believe that the Agency failed to comply with the terms, covenants, provisions or conditions of the Agency's Investment Policy insofar as they relate to financial and accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Authority's noncompliance with the Investment Policy insofar as they relate to accounting matters.

This report is intended solely for the information and use of the Board of Commissioners and management of the Agency and is not intended to be, and should not be used by anyone other than these specified parties.

Baker Tilly Virchow Krause, LLP

Madison, Wisconsin
October 2, 2019

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To the Commissioners of
Northern California Power Agency and Associated Power Corporations
Roseville, California

We have audited, in accordance with auditing standards generally accepted in the United States of America, the combined financial statements of the Northern California Power Agency and Associated Power Corporations (the Agency) as of and for the years ended June 30, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the combined basic financial statements of the Agency, and have issued our report thereon dated October 2, 2019.

In connection with our audit, nothing came to our attention that caused us to believe that the Agency failed to comply with the California Code of Regulations, Title 2, Section 1131.2, State Controller's *Minimum Audit Requirements* for California Special Districts insofar as they relate to financial and accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Authority's noncompliance with the above referenced State Controller's *Minimum Audit Requirements* for California Special Districts insofar as they relate to accounting matters.

This report is intended solely for the information and use of the Board of Commissioners and management of the Agency and is not intended to be, and should not be used by anyone other than these specified parties.

Baker Tilly Virchow Krause, LLP

Madison, Wisconsin
October 2, 2019

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Northern California Power Agency and Associated Power Corporations

Finance Committee Meeting - 2019 Financial Statement Audit

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now, for tomorrow

A PUBLIC AGENCY
NCPA
NORTHERN CALIFORNIA POWER AGENCY





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NCPA
Audit Discussion

Agenda

- Audit overview
- Required communication to Governing Body
- Discussion

2

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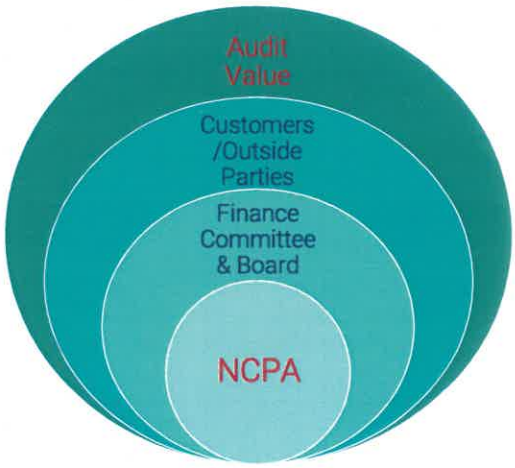
NCPA
Deriving value from the audit

We view the audit as an opportunity to provide an opinion on the reliability of financial reporting to the Committee, Customer-Owners and Outside Parties and to provide value to NCPA



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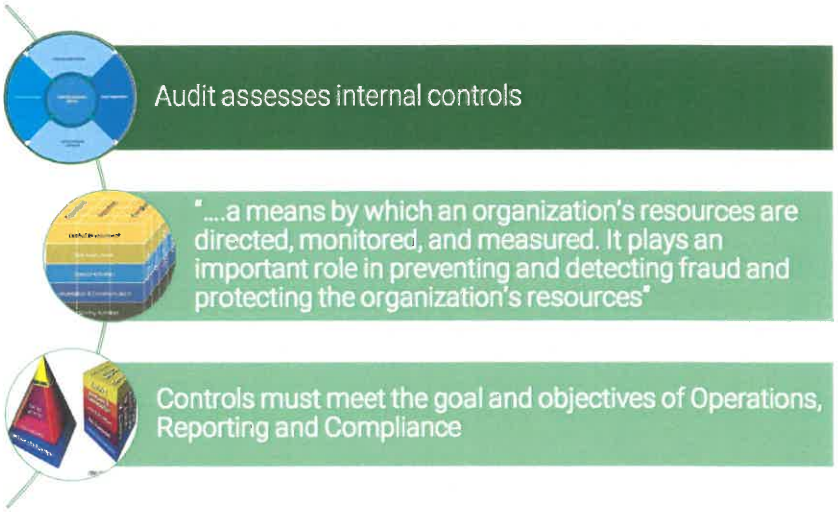
NCPA
Audit overview



4

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NCPA
What were the audit results?



Audit performed in accordance with *Generally Accepted Auditing Standards*



Audit objective – reasonable assurance that financial statements are free from material misstatement



Financial statements of NCPA received an *Unmodified Opinion*



There were no material weaknesses or significant deficiencies in controls

5

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NCPA
Testing methods



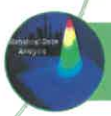
Evaluating and assessing risk



Interviewing employees and documenting business processes



Testing business processes for weaknesses and adherence to policies



Statistical sampling

6

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NCPA
Testing methods



Independent confirmations



Use of specialist reports



Tracing to source documents

7

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NCPA
Audit overview

Controls reviewed in key transaction areas	Expenditures
	Payroll
	Billing and accounts receivable
	Cash, investments and derivatives
	Capital assets
	Information technology

8

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NCPA
Auditor communication to those charged with governance

Auditor responsibility & independence	Board responsibility	Accounting policies and estimates
Baker Tilly agrees with NCPA's accounting policies and disclosures		There were no material adjustments to the financial statements

No other audit findings or concerns

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now, for tomorrow.

NCPA

We appreciate the help of the NCPA's Accounting and Management teams in assisting in the audit!

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NCPA



Discussion

11

Contact Info

Bethany Ryers, Firm Director
608 240 2382
Bethany.ryers@bakertilly.com

Gwen Zech, Audit Manager
608 240 2443
Gwen.zech@bakertilly.com

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NCPA
NORTHERN CALIFORNIA POWER AGENCY

Proposed 2020 Committee Meeting Calendar

Facilities/ Pooling Committees 9:00 am	LEC PPC Committee 10:00 am *at Lodi Energy Center*	Finance Committee 10:30 am	Utility Directors 9:00 am	L&R Affairs Committee	Legal Committee 8:30 am	*Commission 9:30 am & Executive Committee 8:00 am
January 8	January 6		January 9		No Meeting	January 16 *Sacramento*
February 5	February 10	February 11	February 13	February 19	February 6	February 20
March 4	March 9		March 12/13 Healdsburg		March 5	March 26
April 1	April 6		April 9	April 15	April 2	April 16
May 6	May 11	May 12	May 14		May 7	May 28
June 3	June 8		June 18		June 4	June 25 Santa Clara
July 1	July 6		July 9		July 2	July 23 Murphys
August 5	August 10	August 11	August 13	August 26	August 6	August 27
September 2	September 7		September 10	September 23	September 23	September 25**
October 7	October 12	October 13	October 15		October 1	October 29
November 4	November 9	November 10	November 12		November 5	No Meeting
December 2	December 7		December 10	December 2	December 17	December 3

*Commission Packet mailed the Thursday or Friday prior to the meeting date.
Unless noted otherwise, Commission and Executive Committee meetings will be held at NCPA's Roseville office.
**The September 25 Commission meeting will be held on a Friday.
All Legal Committee meetings provide conference call capabilities.
Commission meetings highlighted in blue will be posted as an "optional" conference call meeting.

SAVE THE DATES:

NCPA 101 Presentation: January 14, 2020, The Sawyer Hotel, Sacramento, CA
NCPA Strategic Issues Conference: January 15-16, 2020, The Sawyer Hotel, Sacramento, CA
Bi-Annual Ethics Training: January 16, 2020, The Sawyer Hotel, Sacramento, CA
Capitol Day: January 27, 2020, Sacramento, CA
APPA Legislative Rally: February 24-27, 2020, Washington, D.C.
NCPA/NWPPA Federal Policy Conference: April 19-23, 2020, Washington, D.C.
APPA National Conference: June 7-11, 2020, Long Beach, CA
NCPA Annual Conference: September 22-25, 2020, Resort at Squaw Creek, Olympic Valley, CA

14

Commission Staff Report

Date: October 14, 2019

COMMISSION MEETING DATE: October 24, 2019

SUBJECT: Utilicast, LLC – First Amendment to the Five Year Multi-Task Consulting Services Agreement; Applicable to the following projects: All Northern California Power Agency (NCPA) Facilities, NCPA Members, Southern California Public Power Authority (SCPPA), or SCPPA Members.

AGENDA CATEGORY: Consent

FROM:	Joel Ledesma JL Assistant General Manager	**METHOD OF SELECTION:** *N/A*
Division:	Generation Services	*If other, please describe:*
Department:	Combustion Turbines	

IMPACTED MEMBERS:

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

If other, please specify

RECOMMENDATION:

Approval of Resolution 19-73 authorizing the General Manager or his designee to enter into a First Amendment to the Multi-Task Consulting Services Agreement with Utilicast, LLC, with any non-substantial changes as recommended and approved by the NCPA General Counsel, increasing the not to exceed amount from $200,000 to $1,000,000, for continued use at any facilities owned and/or operated by NCPA, NCPA Members, SCPPA, or by SCPPA Members.

BACKGROUND:

Consulting services related to California Independent System Operator (CAISO) rules and procedures are required from time to time for the operation and maintenance of facilities owned and/or operated by NCPA, NCPA Members, SCPPA, and by SCPPA Members.

On December 5, 2018, NCPA entered into a five year Multi-Task Consulting Services Agreement with Utilicast, LLC for an amount not to exceed $200,000. This initial agreement was intended primarily for an NCPA project related to multi-stage generating unit modeling requirements. This initial work exhausted a majority of the funds available under this agreement.

This amendment will increase the not to exceed amount from $200,000 to $1,000,000 to ensure there are sufficient funds for any future projects for the remainder of the term of the agreement. This agreement is still available for use at any facility owned and/or operated by NCPA, NCPA Members, SCPPA, or SCPPA Members.

FISCAL IMPACT:

Upon execution, the total cost of the Agreement remains not to exceed $1,000,000 over five years, to be used out of NCPA approved annual operating 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 does not have any agreements in place with other vendors for similar services at this time. 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 October 2, 2019. No formal action was taken due to the lack of a quorum, however, the Members present at the meeting voiced their support for the recommendation, and no other meeting attendees had any objections.

The recommendation above was reviewed by the Lodi Energy Center Project Participant Committee on October 7, 2019, and was approved.

Respectfully submitted,

RANDY S. HOWARD
General Manager

Attachments (3):

- Resolution
- Multi-Task Consulting Services Agreement with Utilicast, LLC
- First Amendment to Multi-Task Consulting Services Agreement with Utilicast, LLC

SR: 202:19

RESOLUTION 19-73

RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY APPROVING A FIRST AMENDMENT TO THE FIVE YEAR MULTI-TASK CONSULTING SERVICES AGREEMENT WITH UTILICAST, LLC

(reference Staff Report #202:19)

WHEREAS, consulting services related to California Independent System Operator (CAISO) rules and procedures are required from time to time at facilities owned and/or operated by the Northern California Power Agency (NCPA), NCPA Members, Southern California Public Power Authority (SCPPA), and SCPPA Members; and

WHEREAS, Utilicast, LLC is a provider of these services; and

WHEREAS, NCPA entered into a five year Multi-Task Consulting Services Agreement with Utilicast, LLC on December 5, 2018; and

WHEREAS, NCPA utilized Utilicast, LLC for a recent project related to multi-stage generating unit modeling requirements in CAISO markets, and as a result, this agreement is now running low on funds; and

WHEREAS, NCPA seeks to increase the not to exceed amount of the current agreement from $200,000 to $1,000,000 to ensure there are sufficient funds for any other future projects for the remaining four years of the 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; 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 Five Year Multi-Task Consulting Services Agreement with Utilicast LLC, with any non-substantial changes as approved by the NCPA General Counsel, increasing the not to exceed amount from $200,000 to $1,000,000, for continued use at all facilities owned and/or operated by NCPA, NCPA Members, SCPPA, and SCPPA Members.

PASSED, ADOPTED and APPROVED this ____ day of _____, 2019 by the following vote on roll call:

	Vote	Abstained	Absent
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			

_____
ROGER FRITH
CHAIR

ATTEST:

_____
CARY A. PADGETT
ASSISTANT SECRETARY

MULTI-TASK CONSULTING SERVICES AGREEMENT BETWEEN THE NORTHERN CALIFORNIA POWER AGENCY AND UTILICAST LLC

This Consulting 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 Utilicast LLC, a limited liability corporation with its office located at 701 5th Avenue, Suite 4200, Seattle, WA 98104 ("Consultant") (together sometimes referred to as the "Parties") as of December 5, 2018 ("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 Services 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, or 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, immediately 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 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 TWO HUNDRED THOUSAND dollars ($200,000.00) 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
AcctsPayable@ncpa.com

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 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.** 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 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.** 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 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.** 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 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.

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

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

4.5.5 **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. In addition, 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 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, 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, 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 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.

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 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 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 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, 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 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 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 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.

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 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:

Utilicast LLC
Attention: David Luedtke, President
P.O. Box 38
Kirkland, WA 98083

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

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.

///

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

NORTHERN CALIFORNIA POWER AGENCY

Date 12/5/18

RANDY S. HOWARD,
General Manager

Attest:

Assistant Secretary of the Commission

Approved as to Form:

Jane E. Luckhardt, General Counsel

UTILICAST LLC

Date October 22, 2018

DAVID LUEDTKE,
President

EXHIBIT A

SCOPE OF SERVICES

Utilicast LLC ("Contractor") shall provide CAISO rules and procedures related consulting 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:

- Model Implementation

EXHIBIT B

COMPENSATION SCHEDULE AND HOURLY FEES

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

Consultant Rate: $225.00 per hour

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 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, David Luedtke, President
(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

UTILICAST 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 22nd day of October, 20 18.

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.

FIRST AMENDMENT TO MULTI-TASK CONSULTING SERVICES AGREEMENT BETWEEN THE NORTHERN CALIFORNIA POWER AGENCY AND UTILICAST LLC

This First Amendment ("Amendment") to Multi-Task Consulting Services Agreement is entered into by and between the Northern California Power Agency ("Agency") and Utilicast LLC, ("Consultant") (collectively referred to as "the Parties") as of _____, 2019.

WHEREAS, the Parties entered into a Multi-Task Consulting Services Agreement dated effective December 5, 2018, (the "Agreement") for Consultant to provide CAISO rules and procedures related consulting services; 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 $200,000.00 to a 'NOT TO EXCEED amount of $1,000,000.00; and

WHEREAS, the Agency now desires to amend the Description of Work set forth in Exhibit A to the Agreement; and

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

WHEREAS, in accordance with Section 8.2 all changes to the Agreement must be in writing and signed by all the Parties; and

NOW, THEREFORE, the Parties agree as follows:

1. **Section 2—Compensation** of the Agreement is amended and restated to read as follows:

   Agency hereby agrees to pay Consultant an amount **NOT TO EXCEED** ONE MILLION 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.

   The remainder of Section 2 of the Agreement is unchanged.

2. **Exhibit A – SCOPE OF SERVICES** is amended and restated to read in full as set forth in the attached Exhibit A.

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

SIGNATURES ON FOLLOWING PAGE

Date:_____

NORTHERN CALIFORNIA POWER AGENCY

_____

RANDY S. HOWARD, General Manager

Date:_____

UTILICAST LLC

_____

DAVID LUEDTKE, President

Attest:

_____

Assistant Secretary of the Commission

Approved as to Form:

_____

Jane E. Luckhardt, General Counsel

EXHIBIT A

SCOPE OF SERVICES

Utilicast LLC ("Contractor") shall provide CAISO rules and procedures related consulting 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:

- Model Implementation
- Specification of business requirements in support of modifications to NCPA Systems.

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Commission Staff Report

Date: October 14, 2019

COMMISSION MEETING DATE: October 24, 2019

SUBJECT: Thatcher Company of California, Inc. – Five Year Multi-Task Agreement for Purchase of Equipment, Materials and Supplies for Chemical Purchases; Applicable to the following projects: All Northern California Power Agency (NCPA) Facilities.

AGENDA CATEGORY: Consent

FROM:	Joel Ledesma J.L.	**METHOD OF SELECTION:**
	Assistant General Manager	*N/A*
Division:	Generation Services	*If other, please describe:*
Department:	Combustion Turbines	

IMPACTED MEMBERS:

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

If other, please specify _____

_____

RECOMMENDATION:

Approval of Resolution 19-74 authorizing the General Manager or his designee to enter into a Multi-Task Agreement for Purchase of Equipment, Materials and Supplies with Thatcher Company of California, Inc., for chemical purchases, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed $2,500,000 over five years, for use at all facilities owned and/or operated by the NCPA.

BACKGROUND:

Chemicals are required from time to time for the operation and maintenance of facilities owned and/or operated by NCPA.

FISCAL IMPACT:

Upon execution, the total cost of the agreement is not to exceed $2,500,000 over five years, to be used out of the NCPA approved annual operating budgets. 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 chemicals are required, NCPA will bid the specific scope of work consistent with NCPA procurement policies and procedures. NCPA currently has agreements in place with Apex Engineering Products, Brenntag Pacific, Hill Brothers Chemical Company, Northstar Chemical and Univar USA, Inc., for similar chemicals 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 chemicals at the time they are 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 October 2, 2019. No formal action was taken due to the lack of a quorum, however, the Members present at the meeting voiced their support for the recommendation, and no other meeting attendees had any objections.

The recommendation above was reviewed by the Lodi Energy Center Project Participant Committee on October 7, 2019, and was approved.

Respectfully submitted,

RANDY S. HOWARD
General Manager

Attachments (2):

- Resolution
- Multi-Task Agreement for Purchase of Equipment, Materials and Supplies with Thatcher Company of California, Inc.

SR: 203:19

RESOLUTION 19-74

RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY APPROVING A MULTI-TASK AGREEMENT FOR PURCHASE OF EQUIPMENT, MATERIALS AND SUPPLIES WITH THATCHER COMPANY OF CALIFORNIA, INC.

(reference Staff Report #203:19)

WHEREAS, chemical purchases are periodically required at the facilities owned and/or operated by the Northern California Power Agency (NCPA); and

WHEREAS, Thatcher Company of California, Inc., is a provider of these chemicals; and

WHEREAS, NCPA seeks to enter into a Multi-Task Agreement for Purchase of Equipment, Materials and Supplies with Thatcher Company of California, Inc., to provide such chemicals as needed at all NCPA facilities in an amount not to exceed $2,500,000 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 Agreement for Purchase of Equipment, Materials and Supplies with Thatcher Company of California, Inc., with any non-substantial changes as approved by the NCPA General Counsel, which shall not exceed $2,500,000 over five years, for chemical purchases, for use at all facilities owned and/or operated by NCPA.

PASSED, ADOPTED and APPROVED this ____ day of _____, 2019 by the following vote on roll call:

	Vote	Abstained	Absent
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			

_____
ROGER FRITH
CHAIR

ATTEST: _____
CARY A. PADGETT
ASSISTANT SECRETARY

MULTI-TASK
AGREEMENT FOR PURCHASE OF
EQUIPMENT, MATERIALS AND SUPPLIES
BETWEEN
THE NORTHERN CALIFORNIA POWER AGENCY AND
THATCHER COMPANY OF CALIFORNIA, INC.

This Agreement for Purchase of Equipment, Materials and Supplies ("Agreement") is made by and between the Northern California Power Agency, a joint powers agency, with its main offices located at 651 Commerce Drive, Roseville, CA, 95678-6420 ("Agency") and Thatcher Company of California, Inc. ("Supplier"), whose principal office is located at 8625 Unsworth Avenue, Sacramento, CA 95828 (together sometimes referred to as the "Parties") as of _____, 2019 (the "Effective Date").

Section 1. **SCOPE.** In accordance with the terms and conditions set forth in this Agreement, Supplier is willing to deliver the equipment, materials and supplies ("Goods") described in Exhibit A, attached hereto and incorporated herein to the designated Project Site, DDP, when requested by the Agency. Supplier shall be responsible at its sole expense for delivering the Goods to the designated Project Site and title shall not pass until the Agency accepts delivery at this Site. In the event of a conflict or inconsistency between the terms of this Agreement and Exhibit A, this Agreement shall prevail.

Section 2. **PROJECT SITE.** Goods provided under this Agreement by Supplier may include Goods delivered directly to the Agency. The "designated Project Site", as that term is used herein, shall mean the site for delivery, DDP.

Section 3. **TERM OF AGREEMENT.** This Agreement shall begin upon Effective Date and shall end on the earlier of five (5) years after the Effective Date or when Supplier has provided to Agency the Goods described in Exhibit A.

Section 4. **REQUEST FOR GOODS.** At such time that Agency determines to have Supplier provide Goods under this Agreement, Agency shall issue a Purchase Order. The Purchase Order shall identify the specific Goods to be provided ("Requested Goods"), may include a not-to-exceed cap or monetary cap on the Requested Goods and all related expenditures authorized by that Purchase Order, and shall include a time by which the Requested Goods shall be delivered. Supplier shall have seven calendar days from the date of the Agency's issuance of the Purchase Order in which to respond in writing that Supplier chooses not to provide the Requested Goods. If Supplier agrees to provide the Requested Goods, begins to provide the Requested Goods, or does not respond within the seven day period specified, then Supplier will have agreed to provide the Requested Goods on the terms set forth in the Purchase Order, this Agreement and its Exhibits.

Section 5. **COMPENSATION.** Agency hereby agrees to pay Supplier for the Goods an amount not to exceed TWO MILLION FIVE HUNDRED THOUSAND DOLLARS ($2,500,000.00) as total compensation under this Agreement, which includes all shipping, taxes (if applicable), insurance, delivery charges, and any other fees, costs or charges. This dollar amount is not a guarantee that Agency will pay that full amount to the Supplier, but is merely a limit of potential Agency expenditures under this Agreement.

5.1 **Invoices.** Supplier shall have ninety (90) days after the delivery of Goods to invoice Agency for all amounts due and outstanding under this Agreement. Supplier shall include the number of the Purchase Order which authorized the Goods for which Supplier is seeking payment. In the event Supplier fails to invoice Agency for all amounts due within such ninety (90) day period, Supplier waives its right to collect payment from Agency for such amounts. All invoices shall be submitted to:

Northern California Power Agency
651 Commerce Drive
Roseville, California 95678
Attn: Accounts Payable
AcctsPayable@ncpa.com

5.2 **Payment.** Agency shall pay all invoices within thirty (30) days of the receipt of any invoice for Goods satisfactorily received.

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

Section 6. **INSURANCE REQUIREMENTS.** Before beginning any work under this Agreement, Supplier, at its own cost and expense, shall procure the types and amounts of insurance listed below for the period covered by the Agreement.

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

6.2 **Automobile Liability.** Supplier shall maintain automobile liability insurance 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, whether or not owned by the Supplier, on or off Agency premises. The policy shall provide a minimum limit of $3,000,000 per each accident, with $5,000,000 aggregate. This insurance shall provide contractual liability covering

all motor vehicles and mobile equipment utilized in the transport of the Goods to the Agency's Project Site.

6.3 **Commercial General Liability (CGL).** Supplier shall maintain commercial general liability coverage covering Goods, including product 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 Supplier in regard to this Agreement with not less than $3,000,000/$5,000,000 aggregate for bodily injury and property damage, on an occurrence basis. No endorsement shall be attached limiting the coverage.

6.4 **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.

6.5 **All Policies Requirements.**

6.5.1 **Verification of Coverage.** Prior to beginning any work under this Agreement, Supplier shall, at the sole option of the Agency, provide Agency with (1) a Certificate of Insurance that demonstrates compliance with all applicable insurance provisions contained herein and (2) policy endorsements to the automobile liability policy and the CGL 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 and that Agency's insurance is excess and non-contributing.

6.5.2 **Notice of Reduction in or Cancellation of Coverage.** Supplier agrees to provide at least thirty (30) days prior written notice of any cancellation or reduction in scope or amount of the insurance required under this Agreement.

6.5.3 **Waiver of Subrogation**. Supplier agrees to waive subrogation which any insurer of Supplier may acquire from Supplier by virtue of the payment of any loss. Supplier agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation.

6.5.4 **Self-Insured Retention.** Supplier shall declare the amount of the self-insured retention to the Agency; the amount shall be not more than $100,000.

6.6 **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) per claim. Such insurance shall be on "an occurrence" basis. In addition, Contractor shall ensure that such insurance complies with any applicable requirements of the California Department of Toxic Substances Control and California regulations relating to the transport of hazardous materials (Health & Safety Code sections 25160 *et seq.)*.

"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.

Section 7. SELLER'S LIMITED WARRANTY: SUBJECT TO THE LIMITATIONS LISTED BELOW.

Seller warrants that at the time of delivery the goods will conform to the attached specifications, that Seller will convey good title thereto, and that the goods will be delivered free from any lawful security interest, lien or encumbrance.

EXCLUSION AND DISCLAIMER OF ALL OTHER WARRANTIES : THE LIMITED WARRANTIES LISTED ABOVE ARE SELLERS SOLE AND EXCLUSIVE WARRANTIES WITH RESPECT TO THE GOODS. SELLER MAKES NO OTHER WARRANTIES, EITHER EXPRESS OR IMPLIED , WHETHER WITH RESPECT TO ITS RECOMMENDATIONS , INSTRUCT IONS, GOODS , APPARATUS , PROCESS OR OTHERWISE, AND SPECIFICALLY DISCLAIMS ANY IMPLIED WARRANTIES, WHETHER OF MERCHANTABILITY , SUITABILITY , FITNESS FOR A PARTICULAR PURPOSE OR OTHERWISE.

LIMITATIONS OF REMEDIES AND SELLER'S LIABILITY:

(a) BUYER'S EXCLUSIVE REMEDY AND SELLER'S TOTAL LIABILITY TO BUYER FOR CLAIMS , AS DEFINED IN SUBPARAGRAPHS (b) BELOW, IS EXPRESSLY LIMITED AS FOLLOWS: BUYER HAS THE OPTION OF REPAYMENT OF THE PURCHASE PRICE PAID OR REPLACEMENT OF THE GOODS SUPPLIED HEREUNDER WITH RESPECT TO WHICH DAMAGES ARE CLAIMED. BUYER WAIVES ALL OTHER CLAIMS BY BUYER AGAINST SELLER AND SELLER SHALL NOT BE LIABLE TO BUYER FOR ANY INCIDENTAL , CONSEQUENT IAL, SPECIAL , EXEMPLARY OR PUNITIVE DAMAGES, EXCEPT IN CASES OF GROSS NEGLIGENCE. THE PRICE STATED FOR THE GOODS IS A CONSIDERATION IN LIMITING SELLERS AND ITS AFFILIATES' LIABILITY .

(b) "CLAIMS" MEANS ALL ASSERTIONS OF ANY LEGAL, EQUITABLE, AND/OR ADMIRALTY CAUSES OF ACTION, INCLUDING, BUT NOT LIMITED TO, NEGLIGENCE; STRICT LIABILITY; OTHER TORT; EXPRESS OR IMPLIED WARRANTIES , INDEMNITY OR CONTRACT; CONTRIBUTION; OR SUBROGATION RELATED TO OR ARISING OUT OF THE PERFORMANCE OR NONPERFORMANCE OF THIS CONTRACT.

ALL LIMITATIONS ON BUYER'S REMEDIES AND SELLER'S LIABILITY SHALL SURVIVE THE EXPIRATION, TERMINATION OR CANCELLATION OF THIS CONTRACT.

NOTICE OF CLAIMS: All product claims by Buyer shall be deemed waived unless made by Buyer in writing and received by Seller within thirty (30) days of receipt of the goods; provided that for any claim which is not readily discoverable within such 30 day period such claim shall be deemed waived unless made by Buyer in writing and received by Seller within 90 days after receipt 0f the goods or within 30 days after Buyer learns or should have been reasonably aware of facts which should have given rise to such claim, whichever first occurs.

Section 8. INDEMNIFICATION AND SUPPLIER'S RESPONSIBILITIES.

8.1 **Effect of Insurance.** Agency's acceptance of insurance certificates and endorsements required under this Agreement does not relieve Supplier 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, Supplier acknowledges and agrees to the provisions of this section and that it is a material element of consideration.

8.2 **Scope.** Supplier 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 Supplier, 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.

8.3 **Transfer of Title.** Supplier shall be deemed to be in exclusive possession and control of the Goods and shall be responsible for any damages or injury caused thereby, including without limitation any spills, leaks, discharges or releases of any Goods, until Agency accepts delivery at its Site. For the purposes of this

Agreement, such acceptance shall occur after Supplier or its agents complete transfer of the Goods into appropriate containers, machinery, storage tanks or other storage apparatus identified by NCPA. In the event a spill, leak, discharge or release requires notification to a federal, state or local regulatory agency, Supplier shall be responsible for all such notifications. Should Supplier be required to remedy or remove Goods as a result of a leak, spill, release or discharge of Goods into the environment at Agency's Site or elsewhere, Supplier agrees to remediate, remove or cleanup Agency's Site to a level sufficient to receive a "No Further Action Required" or "Closure Letter" from the appropriate regulatory authority.

Section 9. MISCELLANEOUS PROVISIONS.

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

9.2 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.

9.3 Compliance with Applicable Law. Supplier shall comply with all applicable federal, state, and local laws, rules and regulations in regard to this Agreement and the Goods supplied hereunder.

9.4 Construction of Agreement. The Parties agree that the usual construction of an agreement against the drafting party shall not apply here.

9.5 Supplier's Status. Supplier is an independent contractor and not an employee or agent of NCPA.

9.6 Non-assignment. Supplier may not assign this Agreement without the prior written consent of NCPA, which shall not be unreasonably withheld.

9.7 Governing Law. This Agreement and all matters pertaining to it, shall be governed by the laws of the State of California and venue shall lie in Placer County or in the county to which the Goods are delivered.

9.8 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.

9.9 **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.

9.10 **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.

9.11 **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.

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

Supplier 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.*

9.13 **Contract Administrator.** This Agreement shall be administered by Joel Ledesma, 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.

9.14 **Notices.** Any written notice to Supplier shall be sent to:

Thatcher Company of California, Inc.
Attention: Craig N. Thatcher, President
P.O. Box 27407
Salt Lake City, Utah 84127-0407

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

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

9.15.1 Each party shall designate a senior management or executive level representative to negotiate any dispute.

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

9.15.3 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.

9.15.4 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.

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

9.15.6 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.*

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

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

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

9.19 **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.

9.20 **Amendments.** The Parties may amend this Agreement only by a writing signed by both of the Parties.

9.21 **Force Majeure.**

a) Performance of any obligation under this contract may be suspended by the party so affected without liability in the event of an Act of God; war; fire; flood; strike; explosion; labor trouble; mechanical breakdown; accident, riot, governmental action, laws, regulations or orders (including, but not limited to, pollution, health, ecology or environmental matters); Seller's inability to obtain fuel, power, raw materials, or equipment used in connection therewith on terms it deems practicable; or any other cause beyond the reasonable control of either party interfering with the production, supply, transportation or consumption practice of the party at the time which delays, prevents, restricts, limits or renders commercially infeasible, the performance of this contract or the consumption, sale or use of the goods, except as to the goods already in transit.

b) The affected party may invoke subparagraph (a) or (b) by promptly notifying the other party in writing of the nature and the estimated duration of the suspension or cancellation of the party's performance. The total quantity hereunder shall be reduced by the quantity not delivered during the term of the suspension or cancellation without liability, and the contract shall otherwise remain unaffected. In no event shall Seller be required to ship the goods from Seller's or, if applicable, its affiliates' other locations or to purchase the goods or components thereof from other sources to fulfill the contract requirements. Seller may, without liability, allocate its supply of such goods or raw materials among its own uses, or distribute it among its customers upon such basis and in such manner as Seller deems fair and reasonable, provided that any goods or raw materials obtained by Seller from a third party solely for Seller's internal use are not subject to allocation.

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

NORTHERN CALIFORNIA POWER AGENCY INC.

Date: _____

_____
RANDY S. HOWARD,
General Manager

Attest:

_____
Assistant Secretary of the Commission

Approved as to Form:

_____
Jane E. Luckhardt, General Counsel

THATCHER COMPANY OF CALIFORNIA,

Date: _____

_____
CRAIG THATCHER, President

EXHIBIT A

PURCHASE LIST

As requested by Agency, Supplier shall provide supplies ("Goods") including, but not limited to the following:

Anhydrous Ammonia (R Grade)	No Quote
Aqueous Ammonia 19%	No Quote
Hydrated Lime 90%	No Quote
MagOx 93 HR 325	No Quote
Magnesium Sulfate 30%	No Quote
Sodium Bisulfite 40%	$ 0.425 / lb
Sodium Hydroxide 15% (Caustic Soda)	$ 0.72 / lb
Sodium Hypochlorite 12.5% (Bleach)	$ 0.878 / GL
Sulfuric Acid 93%	$ 0.09 / lb

All delivery vehicles shall be labeled and constructed to meet all requirements of the California State Highway Patrol, the Interstate Commerce Commission and any and all jurisdictions having control over said delivery truck operations.

NCPA acknowledges that Supplier's chemical pricing may be subject to change every six to twelve (6 -12) months. NCPA shall compensate Supplier in accordance with such price list revisions, provided, however, that (1) Supplier shall provide NCPA with written notice of such bi-annual revisions thirty (30) days in advance; and (2) regardless of such price list revisions, total compensation for all tasks, including all chemicals delivered under this Agreement, shall not exceed the amount set forth in Section 5 (Compensation) of this Agreement.

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

EXHIBIT B

CERTIFICATION

Affidavit of Compliance for Suppliers

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

THATCHER COMPANY OF CALIFORNIA, INC.

(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 C

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,

THATCHER COMPANY OF CALIFORNIA, INC.

(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.

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Commission Staff Report

Date: October 14, 2019

COMMISSION MEETING DATE: October 24, 2019

SUBJECT: ANZGT Field Services, LLC – Five Year Multi-Task General Services Agreement for Gas Turbine Maintenance Services; Applicable to the following projects: All Northern California Power Agency (NCPA) Facilities, NCPA Members, Southern California Public Power Authority (SCPPA), and SCPPA Members.

AGENDA CATEGORY: Consent

FROM:	Joel Ledesma	**METHOD OF SELECTION:**
	Assistant General Manager	*N/A*
Division:	Generation Services	*If other, please describe:*
Department:	Combustion Turbines	

IMPACTED MEMBERS:

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

If other, please specify

RECOMMENDATION:

Approval of Resolution 19-75 authorizing the General Manager or his designee to enter into a Multi-Task General Services Agreement with ANZGT Field Services, LLC for gas turbine related maintenance services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed $2,500,000 over five years, for use at all facilities owned and/or operated by NCPA, NCPA Members, SCPPA, or by SCPPA Members.

BACKGROUND:

Gas turbine related maintenance services are required from time to time for the operation and maintenance of facilities owned and/or operated by NCPA, NCPA Members, by SCPPA, and by SCPPA Members.

FISCAL IMPACT:

Upon execution, the total cost of the agreement is not to exceed $2,500,000 over five years, to be used out of the NCPA approved annual operating budgets. 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 agreements in place with Ethos Energy and Gas Turbine Systems Services 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 October 2, 2019. No formal action was taken due to the lack of a quorum, however, the Members present at the meeting voiced their support for the recommendation, and no other meeting attendees had any objections.

The recommendation above was reviewed by the Lodi Energy Center Project Participant Committee on October 7, 2019, and was approved.

Respectfully submitted,

RANDY S. HOWARD
General Manager

Attachments (2):

- Resolution
- Multi-Task General Services Agreement with ANZGT Field Services, LLC

SR: 204:19

RESOLUTION 19-75

RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY APPROVING A MULTI-TASK GENERAL SERVICES AGREEMENT WITH ANZGT FIELD SERVICES, LLC

(reference Staff Report #204:19)

WHEREAS, gas turbine related maintenance services are periodically required at the facilities owned and/or operated by the Northern California Power Agency (NCPA), NCPA Members, the Southern California Public Power Authority (SCPPA), and SCPPA Members; and

WHEREAS, ANZGT Field Services, LLC is a provider of these services; and

WHEREAS, NCPA seeks to enter into a Multi-Task General Services Agreement with ANZGT Field Services, LLC to provide such services as needed at all NCPA facilities, NCPA Members, SCPPA, and SCPPA Member facilities in an amount not to exceed $2,500,000 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 ANZGT Field Services, LLC, with any non-substantial changes as approved by the NCPA General Counsel, which shall not exceed $2,500,000 over five years, for gas turbine related maintenance services, for use at all facilities owned and/or operated by NCPA, NCPA Members, SCPPA, or by SCPPA Members.

PASSED, ADOPTED and APPROVED this ____ day of _____, 2019 by the following vote on roll call:

	Vote	Abstained	Absent
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			

_____
ROGER FRITH
CHAIR

ATTEST: _____
CARY A. PADGETT
ASSISTANT SECRETARY

MULTI-TASK
GENERAL SERVICES AGREEMENT BETWEEN
THE NORTHERN CALIFORNIA POWER AGENCY AND
ANZGT FIELD 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 ANZGT Field Services, LLC., a limited liability company with its office located at 34759 Lencioni Avenue, Bakersfield, CA 93308 USA ("Contractor") (together sometimes referred to as the "Parties") as of _____, 2019 ("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 to Contractor. 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 FIVE HUNDRED THOUSAND dollars ($2,500,000.00) 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
AcctsPayable@ncpa.com

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.** 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, 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 for General Services. 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.

5.3 Scope for Professional Services. For services including those provided by licensed architects, licensed engineers, licensed landscape architects, and/or licensed land surveyors, Contractor shall indemnify, defend with counsel reasonably acceptable to the Agency, and hold harmless the Agency and its officials, commissioners, officers, employees, and volunteers from and against any and all claims to the extent that the claims arise out of, pertain to or relate to the negligence, recklessness or willful misconduct of the Contractor in its performance of Work under this Agreement. Contractor shall bear all losses, costs, damages, expense and liability of every kind, nature and description to the extent that they 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 negligence, active negligence, or willful misconduct of the Agency.

5.4 Limitation. NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, TO THE FULLEST EXTENT PERMITTED BY LAW, THE TOTAL LIABILITY OF CONTRACTOR, ON ALL CLAIMS OF ANY KIND, WHETHER IN CONTRACT, WARRANTY, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, OR OTHERWISE, ARISING OUT OF THE PERFORMANCE OR BREACH OF THIS AGREEMENT OR USE OF ANY ENGINE SHALL NOT EXCEED THE VALUE OF THE WORK BEING PERFORMED OR US$2 MILLION, WHICHEVER IS THE GREATER.

IN NO EVENT, WHETHER AS A RESULT OF BREACH OF CONTRACT OR WARRANTY, ALLEGED NEGLIGENCE, WILFUL MISCONDUCT OR OTHERWISE, SHALL EITHER PARTY BE LIABLE FOR ANY LOSS OF

GOODWILL, LOSS OF PROFITS OR REVENUE, LOSS OR USE, OR ANY INCIDENTAL, CONSEQUENTIAL OR INDIRECT LOSSES OR DAMAGES OF ANY KIND.

5.5 Transfer of Title. Not Applicable.

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. Not applicable.

6.6 Maintenance Labor Agreement. Not applicable.

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 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 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 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'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.

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. Notwithstanding the foregoing, nothing in this Section 9.1 applies to third parties' intellectual property.

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. Notwithstanding the preceding in this Section 11.2 , warranty on parts or materials used by Contractor is strictly limited to the terms and conditions of the respective manufacturer's written warranty statement, except that any warranty period stated in the manufacturer's written warranty shall begin to run only upon Contractor's use of the parts or materials during the Work.

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 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

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:

ANZGT Field Services, LLC.
Attention: Frank Oldread, General Manager
34759 Lencioni Avenue
Bakersfield, CA 93308 USA

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:

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

Date_____

_____

RANDY S. HOWARD,
General Manager

Attest:

_____
Assistant Secretary of the Commission

Approved as to Form:

_____
Jane E. Luckhardt, General Counsel

ANZGT FIELD SERVICES, LLC.

Date_____

_____

FRANK OLDREAD,
General Manager

EXHIBIT A

SCOPE OF WORK

ANZGT Field Services, LLC. ("Contractor") shall provide gas turbine maintenance or inspection 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:

- Gas Turbine Maintenance
- Gas Turbine Borescope Inspections
- Engineering services and support

Contractor may provide services at all Project Site Locations.

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:

Turbine Technician
Straight Time $200/Hr
Overtime..... $250/Hr
Overtime rates apply to any hours worked after normal working hours (6:00 AM – 2:30 PM) Monday through Friday, any time worked on weekends and any time worked on holidays.

Engineering Support/ Supervisory $300/Hr

Expenses
Travel expenses will be charged at cost plus 10%
Shipping for tooling, etc. will be charged at cost plus 10%
Outside vendor fees or materials at cost plus +10%.

Tooling mobilization fee schedule
(Based on one week or part of week)

HPC Stage to stage tooling	$3,600
VSV/VG Pump	$220
LM2500 Front Frame Tooling (in package)	$1,000
Turbine MidFrame R&R	$375
LPC Booster R&R	$1,600
HPC Compressor R&R tooling	$320
Engine R&R (includes one set of maintenance stands)	$900
Additional maintenance stands (per set)	$175
Accessory Gearbox R&R	$370
LM5000 LPT Tooling	$750
Hot Section R&R	$3,600
ADRE vibration analysis tooling	$1,600
Borescope and turning tooling	$600
Engine Laser alignment tooling	$1,500
LM5000 PT R&R Tooling	$1,200
LM2500 PT R&R	$320
GT Maintenance Frame (Field hotsection replacement, front frames etc.)	$320
Tooling Trailer	$250
Storage and preservation per engine per month	$600
Bearing wetting tooling	$250

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.

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

ANZGT FIELD 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.

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Commission Staff Report

Date: October 14, 2019

COMMISSION MEETING DATE: October 24, 2019

SUBJECT: Environex, Inc. – Five Year Multi-Task Professional Services Agreement for Catalyst Related Testing Services; Applicable to the following projects: All Northern California Power Agency (NCPA) Facilities, NCPA Members, Southern California Public Power Authority (SCPPA), and SCPPA Members.

AGENDA CATEGORY: Consent

FROM:	Joel Ledesma J.L.	**METHOD OF SELECTION:**
	Assistant General Manager	*N/A*
Division:	Generation Services	*If other, please describe:*
Department:	Combustion Turbines	

IMPACTED MEMBERS:

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

If other, please specify

RECOMMENDATION:

Approval of Resolution 19-76 authorizing the General Manager or his designee to enter into a Multi-Task Professional Services Agreement with Environex, Inc., for catalyst related testing 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, NCPA Members, SCPPA, or by SCPPA Members.

BACKGROUND:

Catalyst related testing services are required from time to time for the operation and maintenance of facilities owned and/or operated by NCPA, NCPA Members, SCPPA, and 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 the NCPA approved annual operating budgets. 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 an agreement in place with Fossil Energy Research Corporation 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 October 2, 2019. No formal action was taken due to the lack of a quorum, however, the Members present at the meeting voiced their support for the recommendation, and no other meeting attendees had any objections.

The recommendation above was reviewed by the Lodi Energy Center Project Participant Committee on October 7, 2019, and was approved.

Respectfully submitted,

RANDY S. HOWARD
General Manager

Attachments (2):

- Resolution
- Multi-Task Professional Services Agreement with Environex, Inc.

SR: 205:19

RESOLUTION 19-76

RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY APPROVING A MULTI-TASK PROFESSIONAL SERVICES AGREEMENT WITH ENVIRONEX, INC.

(reference Staff Report #205:19)

WHEREAS, catalyst related testing services are periodically required at the facilities owned and/or operated by the Northern California Power Agency (NCPA), NCPA Members, the Southern California Public Power Authority (SCPPA), and SCPPA Members; and

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

WHEREAS, NCPA seeks to enter into a Multi-Task Professional Services Agreement with Environex, Inc. to provide such services as needed at all NCPA facilities, NCPA Members, SCPPA, and SCPPA Member facilities in an amount not to exceed $1,000,000 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; 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 Professional Services Agreement with Environex, Inc., with any non-substantial changes as approved by the NCPA General Counsel, which shall not exceed $1,000,000 over five years, for catalyst related testing services, for use at all facilities owned and/or operated by NCPA, NCPA Members, SCPPA, or by SCPPA Members.

PASSED, ADOPTED and APPROVED this ____ day of _____, 2019 by the following vote on roll call:

	Vote	Abstained	Absent
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			

_____
ROGER FRITH
CHAIR

ATTEST:

_____
CARY A. PADGETT
ASSISTANT SECRETARY

MULTI-TASK PROFESSIONAL SERVICES AGREEMENT BETWEEN THE NORTHERN CALIFORNIA POWER AGENCY AND ENVIRONEX, INC.

This Professional 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 Environex, Inc., a corporation with its office located at 1 Great Valley Parkway, Suite 4, Malvern, PA 19355("Consultant") (together sometimes referred to as the "Parties") as of _____, 2019 ("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 Services 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, or no later than five (5) years 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, immediately 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 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 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
AcctsPayable@ncpa.com

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. 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 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.** 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 minimum limit of $2,000,000 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.** 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 minimum limit of $2,000,000 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.** 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) and two million dollars ($2,000,000) aggregate covering the Consultant'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 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 and, if requested by Agency, provide evidence of coverage during this period.

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 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.

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

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

Agency member, SCPPA or Agency member for which the Services are to be performed.

4.4.5 **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. In addition, 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.

4.5 **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 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, 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, and hold harmless the Agency and its officials, commissioners, officers, employees, and volunteers from and against any and all claims to the extent that the claims arise out of, pertain to or relate to the negligence, recklessness or willful misconduct of the Consultant in its performance of Services under this Agreement. Consultant shall bear all losses, costs, damages, expense and liability of every kind, nature and description to the extent that they 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 negligence, active negligence, or willful misconduct of the 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 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 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 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 are 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, 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 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 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 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.

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 Joel Ledesma, 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:

Environex, Inc.
Attention: Joe Otto
1 Great Valley Parkway, Suite 4
Malvern, PA 19355

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

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, 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 Services relating to such Member.

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:

_____
Jane E. Luckhardt, General Counsel

ENVIRONEX, INC.

Date_____

_____
DANIEL W. OTTO,
President

EXHIBIT A

SCOPE OF SERVICES

Environex, Inc. ("Consultant") shall provide catalyst testing related 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 & CO Catalyst Testing
- System Inspection & Sampling
- Reporting
- Engineering

No services under this agreement shall include Work that would qualify as "public works" under the California Labor Code.

EXHIBIT B

COMPENSATION SCHEDULE AND HOURLY FEES

Compensation for all tasks, including hourly fees and expenses, shall not exceed amount as 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:

• Consulting	$200 / Hour
• Engineering	$95 / Hour
• Administrative	$60 / Hour
• Field Work / Time On-Site	$1,500 per day plus expenses

*Travel Expenses are billed at cost.

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 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

ENVIRONEX, INC.

(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.

18

Commission Staff Report

Date: October 14, 2019

COMMISSION MEETING DATE: October 24, 2019

SUBJECT: Hill Brothers Chemical Company – Five Year Multi-Task Agreement for Purchase of Equipment, Materials and Supplies for Chemical Purchases; Applicable to the following projects: All Northern California Power Agency (NCPA) Facilities.

AGENDA CATEGORY: Consent

FROM:	Joel Ledesma JL	**METHOD OF SELECTION:**
	Assistant General Manager	*N/A*
Division:	Generation Services	*If other, please describe:*
Department:	Combustion Turbines	

IMPACTED MEMBERS:

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

If other, please specify

RECOMMENDATION:

Approval of Resolution 19-77 authorizing the General Manager or his designee to enter into a Multi-Task Agreement for Purchase of Equipment, Materials and Supplies with Hill Brothers Chemical Company for chemical purchases, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed $2,500,000 over five years, for use at all facilities owned and/or operated by NCPA.

BACKGROUND:

Chemicals are required from time to time for the operation and maintenance of facilities owned and/or operated by NCPA.

FISCAL IMPACT:

Upon execution, the total cost of the agreement is not to exceed $2,500,000 over five years, to be used out of the NCPA approved annual operating budgets. 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 chemicals are required, NCPA will bid the specific scope of work consistent with NCPA procurement policies and procedures. NCPA currently has agreements in place with Apex Engineering Products, Brenntag Pacific, Thatcher Company of California, Northstar Chemical, and Univar USA, Inc., for similar chemicals 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 chemicals needed at the time they are 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 October 2, 2019. No formal action was taken due to the lack of a quorum, however, the Members present at the meeting voiced their support for the recommendation, and no other meeting attendees had any objections.

The recommendation above was reviewed by the Lodi Energy Center Project Participant Committee on October 7, 2019, and was approved.

Respectfully submitted,

RANDY S. HOWARD
General Manager

Attachments (2):

- Resolution
- Multi-Task Agreement for Purchase of Equipment, Materials and Supplies with Hill Brothers Chemical Company

SR: 206:19

RESOLUTION 19-77

RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY APPROVING A MULTI-TASK AGREEMENT FOR PURCHASE OF EQUIPMENT, MATERIALS AND SUPPLIES WITH HILL BROTHERS CHEMICAL COMPANY

(reference Staff Report #206:19)

WHEREAS, chemical purchases are periodically required at the facilities owned and/or operated by the Northern California Power Agency (NCPA); and

WHEREAS, Hill Brothers Chemical Company is a provider of these chemicals; and

WHEREAS, NCPA seeks to enter into a Multi-Task Agreement for Purchase of Equipment, Materials and Supplies with Hill Brothers Chemical Company to provide such chemicals as needed at all NCPA facilities in an amount not to exceed $2,500,000 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 Agreement for Purchase of Equipment, Materials and Supplies with Hill Brothers Chemical Company, with any non-substantial changes as approved by the NCPA General Counsel, which shall not exceed $2,500,000 over five years, for chemical purchases, for use at all facilities owned and/or operated by NCPA.

PASSED, ADOPTED and APPROVED this ____ day of _____, 2019 by the following vote on roll call:

	Vote	Abstained	Absent
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			

_____
ROGER FRITH
CHAIR

ATTEST:

_____
CARY A. PADGETT
ASSISTANT SECRETARY

MULTI-TASK
AGREEMENT FOR PURCHASE OF
EQUIPMENT, MATERIALS AND SUPPLIES
BETWEEN
THE NORTHERN CALIFORNIA POWER AGENCY AND
HILL BROTHERS CHEMICAL COMPANY

This Agreement for Purchase of Equipment, Materials and Supplies ("Agreement") is made by and between the Northern California Power Agency, a joint powers agency, with its main offices located at 651 Commerce Drive, Roseville, CA, 95678-6420 ("Agency") and Hill Brothers Chemical Company, ("Supplier"), whose principal office is located at 3000 E. Birch Street, Suite 108, Brea, CA 92821 (together sometimes referred to as the "Parties") as of _____, 2019 (the "Effective Date").

Section 1. **SCOPE.** In accordance with the terms and conditions set forth in this Agreement, Supplier is willing to deliver the equipment, materials and supplies ("Goods") described in Exhibit A, attached hereto and incorporated herein to the designated Project Site, DDP, when requested by the Agency. Supplier shall be responsible at its sole expense for delivering the Goods to the designated Project Site and title shall not pass until the Agency accepts delivery at this Site. In the event of a conflict or inconsistency between the terms of this Agreement and Exhibit A, this Agreement shall prevail.

Section 2. **PROJECT SITE.** Goods provided under this Agreement by Supplier may include Goods delivered directly to the Agency. The "designated Project Site," as that term is used herein, shall mean the site for delivery, DDP.

Section 3. **TERM OF AGREEMENT.** This Agreement shall begin upon Effective Date and shall end on the earlier of five (5) years after the Effective Date or when Supplier has provided to Agency the Goods described in Exhibit A.

Section 4. **REQUEST FOR GOODS.** At such time that Agency determines to have Supplier provide Goods under this Agreement, Agency shall issue a Purchase Order. The Purchase Order shall identify the specific Goods to be provided ("Requested Goods"), may include a not-to-exceed cap or monetary cap on the Requested Goods and all related expenditures authorized by that Purchase Order, and shall include a time by which the Requested Goods shall be delivered. Supplier shall have seven calendar days from the date of the Agency's issuance of the Purchase Order in which to respond in writing that Supplier chooses not to provide the Requested Goods. If Supplier agrees to provide the Requested Goods, begins to provide the Requested Goods, or does not respond within the seven day period specified, then Supplier will have agreed to provide the Requested Goods on the terms set forth in the Purchase Order, this Agreement and its Exhibits.

Section 5. **COMPENSATION.** Agency hereby agrees to pay Supplier for the Goods an amount not to exceed TWO MILLION FIVE HUNDRED THOUSAND DOLLARS ($2,500,000.00) as total compensation under this Agreement, which includes all shipping, taxes (if applicable), insurance, delivery charges, and any other fees, costs or charges. This dollar amount is not a guarantee that Agency will pay that full amount to the Supplier, but is merely a limit of potential Agency expenditures under this Agreement.

5.1 **Invoices.** Supplier shall have ninety (90) days after the delivery of Goods to invoice Agency for all amounts due and outstanding under this Agreement. Supplier shall include the number of the Purchase Order which authorized the Goods for which Supplier is seeking payment. In the event Supplier fails to invoice Agency for all amounts due within such ninety (90) day period, Supplier waives its right to collect payment from Agency for such amounts. All invoices shall be submitted to:

Northern California Power Agency
651 Commerce Drive
Roseville, California 95678
Attn: Accounts Payable
AcctsPayable@ncpa.com

5.2 **Payment.** Agency shall pay all invoices within thirty (30) days of the receipt of any invoice for Goods satisfactorily received.

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

Section 6. INSURANCE REQUIREMENTS. Before beginning any work under this Agreement, Supplier, at its own cost and expense, shall procure the types and amounts of insurance listed below for the period covered by the Agreement.

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

6.2 **Automobile Liability.** Supplier shall maintain automobile liability insurance 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, whether or not owned by the Supplier, on or off Agency premises. The policy shall provide a minimum limit of $3,000,000 per each accident, with $5,000,000 aggregate. This insurance shall provide contractual liability covering all motor vehicles and mobile equipment utilized in the transport of the Goods to the Agency's Project Site.

6.3 **Commercial General Liability (CGL).** Supplier shall maintain commercial general liability coverage covering Goods, including product 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 Supplier in regard to this Agreement with not less than $3,000,000/$5,000,000 aggregate for bodily injury and property damage, on an occurrence basis. No endorsement shall be attached limiting the coverage.

6.4 **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.

6.5 **All Policies Requirements.**

6.5.1 **Verification of Coverage.** Prior to beginning any work under this Agreement, Supplier shall, at the sole option of the Agency, provide Agency with (1) a Certificate of Insurance that demonstrates compliance with all applicable insurance provisions contained herein and (2) policy endorsements to the automobile liability policy and the CGL 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 and that Agency's insurance is excess and non-contributing.

6.5.2 **Notice of Reduction in or Cancellation of Coverage.** Supplier agrees to provide at least thirty (30) days prior written notice of any cancellation or reduction in scope or amount of the insurance required under this Agreement.

6.5.3 **Waiver of Subrogation**. Supplier agrees to waive subrogation which any insurer of Supplier may acquire from Supplier by virtue of the payment of any loss. Supplier agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation.

6.5.4 **Self-Insured Retention.** Supplier shall declare the amount of the self-insured retention to the Agency; the amount shall be not more than $100,000.

6.5.5 **Additional Certificates and Endorsements.** Not Applicable.

6.6 **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) per claim. Such insurance shall be on "an occurrence" basis. In addition, Contractor shall ensure that such insurance complies with any applicable requirements of the California Department of Toxic Substances Control and California regulations relating to the transport of hazardous materials (Health & Safety Code sections 25160 *et seq.)*.

"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.

Section 7. WARRANTY. In addition to any and all warranties provided or implied by law or public policy, or any other warranties provided by Supplier, Supplier warrants that all Goods are free from defects in design and workmanship; comply with applicable federal, state and local laws and regulations; are new, of good quality and workmanship, and free from defects; are suitably safe and sufficient for the purpose for which they are normally used; and are not subject to any liens or encumbrances. Supplier shall provide all Goods in accordance with all applicable engineering, construction and other codes and standards, in accordance with prudent electrical utility standards, and in accordance with the terms of this Agreement applicable to such Goods, all with the degree of high quality and workmanship expected from purveyors engaged in the practice of providing materials and supplies of a similar nature. Moreover, if, during the term of this Agreement (or during the one (1) year period following the term hereof, unless Supplier's warranty is for greater than one (1) year, in which case Supplier's warranty shall be applied), the Goods provided by Supplier under this Agreement fail due to defects in material and/or workmanship or other breach of this Agreement, Supplier shall, upon any reasonable written notice from Agency, replace or repair the same to Agency's satisfaction.

Section 8. INDEMNIFICATION AND SUPPLIER'S RESPONSIBILITIES.

8.1 Effect of Insurance. Agency's acceptance of insurance certificates and endorsements required under this Agreement does not relieve Supplier 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, Supplier acknowledges and agrees to the provisions of this section and that it is a material element of consideration.

8.2 Scope. Supplier 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 Supplier, 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.

8.3 Transfer of Title. Supplier shall be deemed to be in exclusive possession and control of the Goods and shall be responsible for any damages or injury caused thereby, including without limitation any spills, leaks, discharges or releases of any Goods, until Agency accepts delivery at its Site. For the purposes of this Agreement, such acceptance shall occur after Supplier or its agents complete transfer of the Goods into appropriate containers, machinery, storage tanks or other storage apparatus identified by NCPA. In the event a spill, leak, discharge or release requires notification to a federal, state or local regulatory agency, Supplier shall be responsible for all such notifications. Should Supplier be required to remedy or remove Goods as a result of a leak, spill, release or

discharge of Goods into the environment at Agency's Site or elsewhere, Supplier agrees to remediate, remove or cleanup Agency's Site to a level sufficient to receive a "No Further Action Required" or "Closure Letter" from the appropriate regulatory authority.

Section 9. MISCELLANEOUS PROVISIONS.

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

9.2 **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.

9.3 **Compliance with Applicable Law.** Supplier shall comply with all applicable federal, state, and local laws, rules and regulations in regard to this Agreement and the Goods supplied hereunder.

9.4 **Construction of Agreement.** The Parties agree that the usual construction of an agreement against the drafting party shall not apply here.

9.5 **Supplier's Status.** Supplier is an independent contractor and not an employee or agent of NCPA.

9.6 **Non-assignment.** Supplier may not assign this Agreement without the prior written consent of NCPA, which shall not be unreasonably withheld.

9.7 **Governing Law.** This Agreement and all matters pertaining to it, shall be governed by the laws of the State of California and venue shall lie in Placer County or in the county to which the Goods are delivered.

9.8 **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.

9.9 **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.

9.10 **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.

9.11 **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.

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

Supplier 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.*

9.13 **Contract Administrator.** This Agreement shall be administered by Joel Ledesma, 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.

9.14 **Notices.** Any written notice to Supplier shall be sent to:

Hill Brothers Chemical Company
Attention: Frank Alari
3000 E. Birch Street, Suite 108
Brea, CA 92821

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

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

9.15.1 Each party shall designate a senior management or executive level representative to negotiate any dispute.

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

9.15.3 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.

9.15.4 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.

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

9.15.6 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.*

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

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

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

9.19 **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.

9.20 **Amendments.** The Parties may amend this Agreement only by a writing signed by both of the Parties.

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

NORTHERN CALIFORNIA POWER AGENCY	HILL BROTHERS CHEMICAL COMPANY
Date: _____	Date: _____
_____	_____
RANDY S. HOWARD,	**FRANK ALARI,**
General Manager	Regional Sales Manager

Attest:

_____
Assistant Secretary of the Commission

Approved as to Form:

_____
Jane E. Luckhardt, General Counsel

EXHIBIT A

PURCHASE LIST

As requested by Agency, Supplier shall provide supplies ("Goods") including, but not limited to the following:

Product	Pricing
Anhydrous Ammonia (R Grade)	$540/ton + $525.60 delivery charge
Aqueous Ammonia 19%	$0.38/Lb delivered
Hydrated Lime 90%	
MagOx 93 HR 325	$708/ton FOB Gabs, NV PPA $41.86/ton + 30% fuel surcharge
Magnesium Sulfate 30%	
Sodium Bisulfite 40%	
Sodium Hydroxide 15% (Caustic Soda)	
Sodium Hypochlorite 12.5% (Bleach)	
Sulfuric Acid 93%	

All delivery vehicles shall be labeled and constructed to meet all requirements of the California State Highway Patrol, the Interstate Commerce Commission and any and all jurisdictions having control over said delivery truck operations.

NCPA acknowledges that Supplier's chemical pricing may be subject to change every six to twelve (6 -12) months. NCPA shall compensate Supplier in accordance with such price list revisions, provided, however, that (1) Supplier shall provide NCPA with written notice of such bi-annual revisions thirty (30) days in advance; and (2) regardless of such price list revisions, total compensation for all tasks, including all chemicals delivered under this Agreement, shall not exceed the amount set forth in Section 5 (Compensation) of this Agreement.

EXHIBIT B

CERTIFICATION

Affidavit of Compliance for Suppliers

I, Frank Alari, Regional Sales Manager,

(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

HILL BROTHERS CHEMICAL COMPANY

(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 C

CERTIFICATION

Affidavit of Compliance for Hazardous Materials Transport Vendors

I, Frank Alari, Regional Sales Manager,

(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,

HILL BROTHERS CHEMICAL COMPANY

(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.

19

Commission Staff Report

Date: October 14, 2019

COMMISSION MEETING DATE: October 24, 2019

SUBJECT: Team Industrial Services, Inc. – Five Year Multi-Task General Services Agreement for specialty mechanical, inspection, and maintenance services; Applicable to the following projects: All Northern California Power Agency (NCPA) Facilities, NCPA Members, Southern California Public Power Authority (SCPPA), and SCPPA Members.

AGENDA CATEGORY: Consent

FROM:	Joel Ledesma	**METHOD OF SELECTION:**
	Assistant General Manager	*N/A*
Division:	Generation Services	*If other, please describe:*
Department:	Geothermal	

IMPACTED MEMBERS:

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

If other, please specify _____

_____

RECOMMENDATION:

Approval of Resolution 19-78 authorizing the General Manager or his designee to enter into a Multi-Task General Services Agreement with Team Industrial Services, Inc., for specialty mechanical, inspection, and maintenance related services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed $500,000 over five years, for use at all facilities owned and/or operated by NCPA, NCPA Members, by SCPPA, or by SCPPA Members.

BACKGROUND:

Specialty mechanical, inspection and maintenance related services are required from time to time for the operation and maintenance of facilities owned and/or operated by NCPA, NCPA Members, SCPPA, or by SCPPA Members.

FISCAL IMPACT:

Upon execution, the total cost of the agreement is not-to-exceed $500,000 to be used out of the NCPA approved annual operating budgets. 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 similar agreements in place with Northern Industrial Construction, Hudson Mechanical, and Danick Mechanical 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 October 2, 2019. No formal action was taken due to the lack of a quorum, however, the Members present at the meeting voiced their support for the recommendation, and no other meeting attendees had any objections.

The recommendation above was reviewed by the Lodi Energy Center Project Participant Committee on October 7, 2019, and was approved.

Respectfully submitted,

RANDY S. HOWARD
General Manager

Attachments (2):

- Resolution
- Multi-Task General Services Agreement with Team Industrial Services, Inc.

SR: 207:19

RESOLUTION 19-78

RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY APPROVING A MULTI-TASK GENERAL SERVICES AGREEMENT WITH TEAM INDUSTRIAL SERVICES, INC.

(reference Staff Report #207:19)

WHEREAS, specialty mechanical, inspection, and maintenance related services are periodically required at the facilities owned and/or operated by the Northern California Power Agency (NCPA), its Members, the Southern California Public Power Authority (SCPPA), and SCPPA Members; and

WHEREAS, Team Industrial Services, Inc., is a provider of these services; and

WHEREAS, NCPA seeks to enter into a Multi-Task General Services Agreement with Team Industrial Services, Inc. to provide such services as needed at all NCPA facilities, NCPA Members, SCPPA, and SCPPA Member facilities in an amount not-to-exceed $500,000 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 Team Industrial Services, Inc., with any non-substantial changes as approved by the NCPA General Counsel, which shall not exceed $500,000 for specialty mechanical, inspection and maintenance related services for use at all facilities owned and/or operated by NCPA, NCPA Members, SCPPA, or by SCPPA Members.

PASSED, ADOPTED and APPROVED this ____ day of _____, 2019 by the following vote on roll call:

	Vote	Abstained	Absent
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			

_____
ROGER FRITH
CHAIR

ATTEST:

_____
CARY A. PADGETT
ASSISTANT SECRETARY

MULTI-TASK
GENERAL SERVICES AGREEMENT BETWEEN
THE NORTHERN CALIFORNIA POWER AGENCY AND
TEAM INDUSTRIAL SERVICES, INC.

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 TEAM Industrial Services, Inc., a Texas corporation with its office located at 13131 Dairy Ashford, Suite 600, Sugar Land, TX 77478 ("Contractor") (together sometimes referred to as the "Parties") as of _____, 2019 ("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.

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 fourteen (14) 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 (in writing) to perform the Requested Work 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** FIVE HUNDRED THOUSAND dollars ($500,000) 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
AcctsPayable@ncpa.com

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 $2,000,000 per occurrence/$2,000,000 aggregate excess of SIR. Commercial general coverage shall be at least as broad as ISO Commercial General Liability form CG 0001 (current edition) on "an occurrence" basis covering General Liability, with a self-insured retention or deductible of no more than $1,000,000. 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 $2,000,000 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 omitted.

4.4 Pollution Insurance. Intentionally omitted.

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. Not applicable.

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 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. Notwithstanding anything in this Agreement to the contrary, NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR SPECIAL, INDIRECT, PUNITIVE OR CONSEQUENTIAL DAMAGES TO THE EXTENT RESUTLING FROM OR ARISING OUT O FHTIS AGREEMENT, INCLUDING, WITHOUT LIMITATION, LOSS OF PROFIT OR BUSINESS INTERRUPTIONS INCLUDING LOSS OR DELAY OF OPERATIONS, HOWEVER CAUSED.

5.3 **Transfer of Title.** Intentionally Omitted

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, costs, actual, direct damages, expense and liability of every kind, nature and description that arise out of, pertain to, or relate to such claims, directly 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.** Not applicable.

6.6 **Maintenance Labor Agreement.** Not applicable.

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 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 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 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'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 actual direct costs to complete the Work that is unfinished at the time of breach

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 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. Agency will not 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 shall be solely as an accommodation and Agency shall have no 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 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.

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.

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 Joel Ledesma, Assistant General Manager, or his 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:

TEAM Industrial Services, Inc.
Attn: Julie James/Brian Gailey
4650 E. Second Street, Suite E
Benicia, CA 94510

With a copy to:

TEAM Industrial Services, Inc.
Attn: General Counsel
13131 Dairy Ashford, Suite 600
Sugar Land, TX 77478

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. .

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

NORTHERN CALIFORNIA POWER AGENCY	TEAM INDUSRIAL SERVICES, INC.
Date_____	Date_____
RANDY S. HOWARD, General Manager	**JIM MCCLOSKEY, SVP, Commercial Services**

Attest:

_____
Assistant Secretary of the Commission

Approved as to Form:

_____
Jane E. Luckhardt, General Counsel

EXHIBIT A

SCOPE OF WORK

TEAM Industrial Services, Inc. ("Contractor") shall provide, specialty mechanical and inspection services as requested by Northern California Power Agency ("Agency") at any facilities owned and/or operated by the Agency.

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

On-Steam Services:

- Leak Maintenance Services
- Hot Tapping, Line Stopping, Line Freezing
- Energy Management
- Emissions Control

Turnaround/Outage Services:

- Field Machining Services
- 3-D Measurement and Inspection Services
- Technical Bolting Services
- Isolation & Hydro Test Plug Services
- Inspection (NDE/NDT)
- Heat Treating/Stress Relieving

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 is considered proprietary by Contractor and are on file in NCPA's office

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.

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Commission Staff Report

Date October 14, 2019

COMMISSION MEETING DATE: October 24, 2019

SUBJECT: Matheson Tri-Gas, Inc. – Five Year Multi-Task Agreement for Purchase of Equipment, Materials and Supplies for Continuous Emissions Monitoring Systems Environmental Protection Agency (CEMS EPA) gas purchases; Applicable to the following projects: All Northern California Power Agency (NCPA) Facilities.

AGENDA CATEGORY: Consent C

FROM:	Joel Ledesma J.L.	**METHOD OF SELECTION:**
	Assistant General Manager	*N/A*
Division:	Generation Services	*If other, please describe:*
Department:	Geothermal	

IMPACTED MEMBERS:

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

If other, please specify

RECOMMENDATION:

Approval of Resolution 19-79 authorizing the General Manager or his designee to enter into a Multi-Task Agreement for Purchase of Equipment, Materials and Supplies with Matheson Tri-Gas, Inc., for CEMS EPA gas purchases, with any non-substantial changes as 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.

BACKGROUND:

CEMS EPA gases are required from time to time for the operation and maintenance of facilities owned and/or operated by NCPA.

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 the NCPA approved budget. 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 products are required, NCPA will bid the specific products consistent with NCPA procurement policies and procedures. NCPA currently has a similar agreement in place with Airgas USA, LLC and seeks bids from multiple qualified providers whenever products are needed. Bids are awarded to the lowest cost provider. NCPA will issue purchase orders based on cost and availability of the products needed at the time the products are 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 October 2, 2019. No formal action was taken due to the lack of a quorum, however, the Members present at the meeting voiced their support for the recommendation, and no other meeting attendees had any objections.

The recommendation above was reviewed by the Lodi Energy Center Project Participant Committee on October 7, 2019, and was approved.

Respectfully submitted,

RANDY S. HOWARD
General Manager

Attachments (2):

- Resolution
- Multi-Task Agreement for Purchase of Equipment, Materials and Supplies with Matheson Tri-Gas, Inc.

SR: 208:19

RESOLUTION 19-79

RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY APPROVING A MULTI-TASK AGREEMENT FOR PUCHASE OF EQUIPMENT, MATERIALS AND SUPPLIES WITH MATHESON TRI-GAS, INC.

(reference Staff Report #208:19)

WHEREAS, Continuous Emissions Monitoring System Environmental Protection Agency (CEMS EPS) gases are periodically required at facilities owned and/or operated by the Northern California Power Agency (NCPA); and

WHEREAS, Matheson Tri-Gas, Inc., is a provider of these products; and

WHEREAS, NCPA seeks to enter into a Multi-Task Agreement for Purchase of Equipment, Materials and Supplies with Matheson Tri-Gas, Inc., to provide such products as needed at all NCPA facilities, in an amount not to exceed $1,000,000 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; 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 Agreement for Purchase of Equipment, Materials and Supplies with Matheson Tri-Gas, Inc., with any non-substantial changes as approved by the NCPA General Counsel, which shall not exceed $1,000,000 for CEMS EPA gases purchases for use at all facilities owned and/or operated by NCPA.

PASSED, ADOPTED and APPROVED this ___ day of _____ 2019, by the following vote on roll call:

	Vote	Abstained	Absent
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			

_____
ROGER FRITH
CHAIR

ATTEST:

_____
CARY A. PADGETT
ASSISTANT SECRETARY

MULTI-TASK
AGREEMENT FOR PURCHASE OF
EQUIPMENT, MATERIALS AND SUPPLIES
BETWEEN
THE NORTHERN CALIFORNIA POWER AGENCY AND
MATHESON TRI-GAS, INC.

This Agreement for Purchase of Equipment, Materials and Supplies ("Agreement") is made by and between the Northern California Power Agency, a joint powers agency, with its main offices located at 651 Commerce Drive, Roseville, CA, 95678-6420 ("Agency") and Matheson Tri-Gas, Inc., ("Supplier"), whose principal office is located at 3080 North State Street, Ukiah, CA 95482 (together sometimes referred to as the "Parties") as of _____, 2019 (the "Effective Date").

Section 1. **SCOPE.** In accordance with the terms and conditions set forth in this Agreement, Supplier is willing to deliver the equipment, materials and supplies ("Goods") described in Exhibit A, attached hereto and incorporated herein to the designated Project Site, DDP, when requested by the Agency. Supplier shall be responsible at its sole expense for delivering the Goods to the designated Project Site and title shall not pass until the Agency accepts delivery at this Site. In the event of a conflict or inconsistency between the terms of this Agreement and Exhibit A, this Agreement shall prevail.

Section 2. **PROJECT SITE.** Goods provided under this Agreement by Supplier may include Goods delivered directly to the Agency or, as requested by the Agency and consistent with the terms of this Agreement.

Section 3. **TERM OF AGREEMENT.** This Agreement shall begin upon Effective Date and shall end on the earlier of five (5) years after the Effective Date or when Supplier has provided to Agency the Goods described in Exhibit A.

Section 4. **REQUEST FOR GOODS.** At such time that Agency determines to have Supplier provide Goods under this Agreement, Agency shall issue a Purchase Order. The Purchase Order shall identify the specific Goods to be provided ("Requested Goods"), may include a not-to-exceed cap or monetary cap on the Requested Goods and all related expenditures authorized by that Purchase Order, and shall include a time by which the Requested Goods shall be delivered. Supplier shall have seven calendar days from the date of the Agency's issuance of the Purchase Order in which to respond in writing that Supplier chooses not to provide the Requested Goods. If Supplier agrees to provide the Requested Goods, begins to provide the Requested Goods, or does not respond within the seven day period specified, then Supplier will have agreed to provide the Requested Goods on the terms set forth in the Purchase Order, this Agreement and its Exhibits.

Section 5. **COMPENSATION.** Agency hereby agrees to pay Supplier for the Goods an amount not to exceed ONE MILLION dollars ($1,000,000) as total compensation under this Agreement, which includes all shipping, taxes (if applicable), insurance, delivery charges, and any other fees, costs or charges. This dollar amount is not a guarantee that Agency will pay that full amount to the Supplier, but is merely a limit of potential Agency expenditures under this Agreement.

5.1 **Invoices.** Supplier shall have ninety (90) days after the delivery of Goods to invoice Agency for all amounts due and outstanding under this Agreement. Supplier shall include the number of the Purchase Order which authorized the Goods for which Supplier is seeking payment. In the event Supplier fails to invoice Agency for all amounts due within such ninety (90) day period, Supplier waives its right to collect payment from Agency for such amounts. All invoices shall be submitted to:

Northern California Power Agency
651 Commerce Drive
Roseville, California 95678
Attn: Accounts Payable
AcctsPayable@ncpa.com

5.2 **Payment.** Agency shall pay all invoices within thirty (30) days of the receipt of any invoice for Goods satisfactorily received.

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

Section 6. INSURANCE REQUIREMENTS. Before beginning any work under this Agreement, Supplier, at its own cost and expense, shall procure the types and amounts of insurance listed below for the period covered by the Agreement.

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

6.2 **Automobile Liability.** Supplier shall maintain automobile liability insurance 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, whether or not owned by the Supplier, on or off Agency premises. The policy shall provide a minimum limit of $3,000,000 per each accident, with $5,000,000 aggregate. This insurance shall provide contractual liability covering all motor vehicles and mobile equipment utilized in the transport of the Goods to the Agency's Project Site.

6.3 **Commercial General Liability (CGL).** Supplier shall maintain commercial general liability coverage covering Goods, including product 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 Supplier in regard to this Agreement with not less than $3,000,000/$5,000,000 aggregate for bodily injury and property damage, on an occurrence basis. No endorsement shall be attached limiting the coverage.

6.4 **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.

6.5 **All Policies Requirements.**

6.5.1 **Verification of Coverage.** Prior to beginning any work under this Agreement, Supplier shall, at the sole option of the Agency, provide Agency with (1) a Certificate of Insurance that demonstrates compliance with all applicable insurance provisions contained herein and (2) policy endorsements to the automobile liability policy and the CGL 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 and that Agency's insurance is excess and non-contributing.

6.5.2 **Notice of Reduction in or Cancellation of Coverage.** Supplier agrees to provide at least thirty (30) days prior written notice of any cancellation or reduction in scope or amount of the insurance required under this Agreement.

6.5.3 **Waiver of Subrogation**. Supplier agrees to waive subrogation which any insurer of Supplier may acquire from Supplier by virtue of the payment of any loss. Supplier agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation.

6.5.4 **Self-Insured Retention.** Supplier shall declare the amount of the self-insured retention to the Agency; the amount shall be not more than $500,000.

6.5.5 **Additional Certificates and Endorsements.** Not Applicable

6.6 **Pollution Insurance** 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) per claim. Such insurance shall be on "an occurrence" basis. In addition, Contractor shall ensure that such insurance complies with any applicable requirements of the California Department of Toxic Substances Control and California regulations relating to the transport of hazardous materials (Health & Safety Code sections 25160 *et seq.)*.

"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.

Section 7. **WARRANTY.** In addition to any and all warranties provided or implied by law or public policy, or any other warranties provided by Supplier, Supplier warrants that all Goods are free from defects in design and workmanship; comply with applicable federal, state and local laws and regulations; are new, of good quality and workmanship, and free from defects; are suitably safe and sufficient for the purpose for which they are normally used; and are not subject to any liens or encumbrances. Supplier shall provide all Goods in accordance with all applicable engineering, construction and other codes and standards, in accordance with prudent electrical utility standards, and in accordance with the terms of this Agreement applicable to such Goods, all with the degree of high quality and workmanship expected from purveyors engaged in the practice of providing materials and supplies of a similar nature. Moreover, if, during the term of this Agreement (or during the one (1) year period following the term hereof, unless Supplier's warranty is for greater than one (1) year, in which case Supplier's warranty shall be applied), the Goods provided by Supplier under this Agreement fail due to defects in material and/or workmanship or other breach of this Agreement, Supplier shall, upon any reasonable written notice from Agency, replace or repair the same to Agency's satisfaction.

Section 8. **INDEMNIFICATION AND SUPPLIER'S RESPONSIBILITIES.**

8.1 **Effect of Insurance.** Agency's acceptance of insurance certificates and endorsements required under this Agreement does not relieve Supplier 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, Supplier acknowledges and agrees to the provisions of this section and that it is a material element of consideration.

8.2 **Scope.** Supplier 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 Supplier, 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.

8.3 **Transfer of Title.** Supplier shall be deemed to be in exclusive possession and control of the Goods and shall be responsible for any damages or injury caused thereby, including without limitation any spills, leaks, discharges or releases of any Goods, until Agency accepts delivery at its Site. For the purposes of this Agreement, such acceptance shall occur after Supplier or its agents complete transfer of the Goods into appropriate containers, machinery, storage tanks or other storage apparatus identified by NCPA. In the event a spill, leak, discharge or release requires notification to a federal, state or local regulatory agency, Supplier shall be responsible for all such notifications. Should Supplier be required to remedy or remove Goods as a result of a leak, spill, release or

discharge of Goods into the environment at Agency's Site or elsewhere, Supplier agrees to remediate, remove or cleanup Agency's Site to a level sufficient to receive a "No Further Action Required" or "Closure Letter" from the appropriate regulatory authority.

Section 9. MISCELLANEOUS PROVISIONS.

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

9.2 **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.

9.3 **Compliance with Applicable Law.** Supplier shall comply with all applicable federal, state, and local laws, rules and regulations in regard to this Agreement and the Goods supplied hereunder.

9.4 **Construction of Agreement.** The Parties agree that the usual construction of an agreement against the drafting party shall not apply here.

9.5 **Supplier's Status.** Supplier is an independent contractor and not an employee or agent of NCPA.

9.6 **Non-assignment.** Supplier may not assign this Agreement without the prior written consent of NCPA, which shall not be unreasonably withheld.

9.7 **Governing Law.** This Agreement and all matters pertaining to it, shall be governed by the laws of the State of California and venue shall lie in Placer County or in the county to which the Goods are delivered.

9.8 **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.

9.9 **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.

9.10 **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.

9.11 **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.

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

Supplier 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.*

9.13 **Contract Administrator.** This Agreement shall be administered by Joel Ledesma, 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.

9.14 **Notices.** Any written notice to Supplier shall be sent to:

Elijah Smolen
Regional General Manager
Matheson Tri-Gas, Inc.
3080 North State Street
Ukiah, CA 95482

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

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

9.15.1 Each party shall designate a senior management or executive level representative to negotiate any dispute.

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

9.15.3 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.

9.15.4 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.

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

9.15.6 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.*

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

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

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

9.19 **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.

9.20 **Amendments.** The Parties may amend this Agreement only by a writing signed by both of the Parties.

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

NORTHERN CALIFORNIA POWER AGENCY	MATHESON TRI-GAS, INC.
Date: _____	Date: _____
_____	_____
RANDY S. HOWARD, General Manager	**ELIJAH SMOLEN, General Manager**

Attest:

_____
Assistant Secretary of the Commission

Approved as to Form:

_____
Jane E. Luckhardt, General Counsel

EXHIBIT A

PURCHASE LIST

Supplier shall provide Goods as requested by the Northern California Power Agency ("Agency"), at any facility locations owned and/or operated by Agency.

GASES PRODUCT LIST

Lodi Energy Center (LEC)								
EPA Protocols	Product Description	Cylinder Size	Purity	Cylinder Price $	Quantity needed on Hand at Site	Frequency Month / Quarter Yearly	Notes	Special Cylinder Specialty Gases
Certified Mixes	8.5ppm NH3/ bal Air	150A [141 cf]	Cert	$400.00		1 Every 2-3 years	PART # TBD	
	2.5ppm NO/ bal N2	150A [141 cf]	EPA	$198.00		1 every 2-3 years	PART # =X02R7E0E0	=EI
	5.5ppm NO/ bal N2	150A [141 cf]	EPA	$198.00	2	1 every 2 months	PART # =X02R71E0	=EI
	90ppm NO/ bal N2	150A [141 cf]	EPA	$198.00	2	1 every 2-3 years	PART # =X02R73A0	=EI
	2.5ppm NO,2.5ppm CO/ bal N2	150A [141 cf]	EPA	$302.00		1 every 2-3 years	PART # =X02R7B15	=EI
	5.5ppm NO,5.5ppm CO/ bal N2	150A [141 cf]	EPA	$220.00		1 every 2-3 years	PART # =X02R8K06	=EI
	25ppm NO,800ppm CO/ bal N2	150A [141 cf]	EPA	$220.00		1 every 2-3 years	PART # TBD	
	85ppm NO,1700ppm CO/ bal N2	150A [141 cf]	EPA	$220.00		1 every 2-3 years	PART # TBD	
	9ppm NO,9ppm CO/ bal N2	150A [141 cf]	EPA	$220.00	2	1 every 2 months	PART # =X02R8K37	=EI
	90ppm NO,2500ppm CO/ bal N2	150A [141 cf]	EPA	$220.00	2	1 every 2-3 years	PART # TBD	
	18% O2/ bal N2	150A [141 cf]	EPA	$176.00	2	1 every 2 months	PART # =X02R73G7	=EI
	8.5% O2/ bal N2	150A [141 cf]	EPA	$176.00		1 every 2-3 years	PART # =X02R72K6	=EI
	11% O2/ bal N2	150A [141 cf]	EPA	$176.00		1 every 2-3 years	PART # =X02R73G6	=EI
	25ppm NO,/ bal N2	150A [141 cf]		$198.00		1 every 2-3 years	PART # =X02R72M5	=EI
	54ppm NO,/ bal N2	150A [141 cf]		$198.00		1 every 2-3 years	PART # =X02R75A1	=EI
	Chromatograph Cal Gas	150A [141 cf]		$884.00		1 every 2-3 years	PART# TBD	
	Helium, Ultra High Purity 5.0	300		$300.00	2	1 every 2 months	=E UHP1L	SGL
	Nitrogen- CEMS [99.9999%] Zero	255 CF	CEMS	$405.00	2	1 every 2 months	=G CD123101	SGL
STIG (CT2)								
EPA Protocols	Product Description	Cylinder Size	Purity	Cylinder Price $	Quantity needed on Hand at Site	Frequency Month / Quarter Yearly	Notes	
Certified Mixes	22.5% O2/ bal N2	150A [141 cf]	EPA	$176.00	2	1 every 2 months	PART # =X02R7E0T	=EI
	13.75 O2/ bal N2	150A [141 cf]	EPA	$176.00		1 every 2-3 years	PART # =X02R72B0	=EI
	8.25% O2/ bal N2	150A [141 cf]	EPA	$176.00		1 every 2-3 years	PART # =X02R72E0	=EI
	9 ppm NO/ bal N2	150A [141 cf]	EPA	$198.00	2	1 every 2 months	PART # =X02R73G71	=EI
	5.5 ppm NO/ bal N2	150A [141 cf]	EPA	$198.00		1 every 2-3 years	PART # =X02R71A0	=EI
	2.5 ppm NO/ bal N2	150A [141 cf]	EPA	$220.00		1 every 2-3 years	PART # =X02R7E0	=EI
	90ppm NO,45ppm CO/ bal N2	150A [141 cf]	EPA	$220.00	2	1 every 2 months	PART # TBD	
	55ppm NO,27.5ppm CO/ bal N2	150A [141 cf]	EPA	$220		1 every 2-3 years	PART # TBD	
	25ppm NO,12.5ppm CO/ bal N2	150A [141 cf]	EPA	$220.00		1 every 2-3 years	PART # TBD	
Shared Gases								
Industrial	Product Description	Cylinder Size	Purity	Cylinder Price $	Quantity needed on Hand at Site	Frequency Month / Quarter/ Yearly	Notes	
	Argon - Industrial	80	Ind	$40.00			AR 80	=PS
	Propylene	30lbs		$82.45			PG 30	=PL
	Liquid N2	180 Lb		$125.00	2	1 every 2 months	NI 180	LC
	Nitrogen	250	Ind	$30.00	2	1 every 2 months	NI 250	=PL
	Oxygen - Industrial	250	Ind	$25.00	2	1 every 2 months	OX 250	=PL
	Acetylene	Size4	Ind	$75.00			AC 300	ACL
	Argon - Industrial	300	Ind	$80.00			AR 300	=PL
	SF6	200	CP	$2371.00		1 every 2-3 years	=G G1186101	=EI

All EPA protocol and certified gas mixes will be supplied in aluminum 150A size cylinders unless otherwise specified

Monthly Cylinder Rentals: $5.50 Per Month (Per Cylinder), $1.50 Per Day for Liquid Nitrogen (per Cylinder), If Applicable
Delivery Charges: $25.00 Per Delivery, If Applicable
Hazmat Fee: $7.50 Per Delivery, If Applicable
Miscellaneous Material Purchases: Discounts generally range from 10-30%, can vary depending on product

Additional products not listed above will be quoted at the time of request.

EXHIBIT B

CERTIFICATION

Affidavit of Compliance for Suppliers

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 C

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.

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Commission Staff Report

Date October 14, 2019

COMMISSION MEETING DATE: October 24, 2019

SUBJECT: Cooperative Response Center Associate Membership Agreement for utility customer service representative support services; Applicable to the following projects: all Northern California Power Agency (NCPA) Members and Southern California Public Power Authority (SCPPA) Members.

AGENDA CATEGORY: Consent

FROM:	Joel Ledesma J.L.	**METHOD OF SELECTION:**
	Assistant General Manager	*Other*
Division:	Generation Services	*If other, please describe:* Request from members.
Department:	Generation Services	

IMPACTED MEMBERS:

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

If other, please specify

RECOMMENDATION:

Approval of Resolution 19-80 authorizing the General Manager or his designee to enter into an Associate Membership Agreement with Cooperative Response Center, Inc. (CRC) for utility customer service representative support services, with any non-substantial changes recommended and approved by the NCPA General Counsel. NCPA Members and SCPPA Members can subscribe to these services through NCPA's Associate Membership, via the NCPA Support Services Program. For use by NCPA Members and SCPPA Members.

BACKGROUND:

CRC provides utility customer service representative support services, including interactive voice response technology, for after-hour, overflow, and/or 24-hour inbound and/or outbound call answering and related dispatching.

A number of NCPA Members have expressed an interest in utilizing CRC's services. Those Members have reached out to NCPA to inquire as to whether NCPA would be able to assist with getting an agreement into place with this vendor which could be used by all NCPA Members and SCPPA Members.

NCPA will be entering into an Associate Membership Agreement with CRC. NCPA Members and SCPPA Members interested in utilizing CRC's services will be able to access this agreement via NCPA's Support Services Program.

FISCAL IMPACT:

This agreement does not carry a not to exceed amount. Purchase orders referencing the terms and conditions of the agreement will be issued following NCPA procurement policies and procedures.

SELECTION PROCESS:

This Associate Membership Agreement does not commit NCPA to any expenditure of funds. NCPA does not currently have any agreements in place with other vendors for similar services. 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 October 2, 2019. No formal action was taken due to the lack of a quorum, however, the Members present at the meeting voiced their support for the recommendation, and no other meeting attendees had any objections.

Respectfully submitted,

RANDY S. HOWARD
General Manager

Attachments (2):

- Resolution
- Associate Membership Agreement with Cooperative Response Center, Inc.

SR: 209:19

RESOLUTION 19-80

RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY APPROVING AN ASSOCIATE MEMBERSHIP AGREEMENT WITH COOPERATIVE RESPONSE CENTER, INC. (CRC)

(reference Staff Report #209:19)

WHEREAS, utility customer service representative support services, including interactive voice response (IVR) technology, for call answering and related dispatching are needed by the Northern California Power Agency (NCPA) Members, the Southern California Public Power Authority (SCPPA) Members; and

WHEREAS, Cooperative Response Center, Inc. (CRC) is a provider of these services; and

WHEREAS, NCPA seeks to enter into an Associate Membership Agreement with CRC to provide such services as needed; and

WHEREAS, NCPA Members and SCPPA Members will have access to use these services through NCPA's Support Services Program; 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 an Associate Membership Agreement with CRC, with any non-substantial changes as approved by the NCPA General Counsel, for utility customer service representative support services.

PASSED, ADOPTED and APPROVED this ____ day of _____, 2019 by the following vote on roll call:

	Vote	Abstained	Absent
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			

_____
ROGER FRITH
CHAIR

ATTEST:

_____
CARY A. PADGETT
ASSISTANT SECRETARY

Cooperative Response Center, Inc.

Associate Membership Agreement

This Agreement made this ____ day of _____, 201__, by and between Cooperative Response Center, Inc., a Minnesota cooperative, hereinafter "CRC," and _____, a _____(state) company, hereinafter "Associate Member."

WHEREAS, CRC is a cooperative association which provides various services to its Associate Members; and

WHEREAS, Associate Member desires to become a Associate Member of CRC for the purpose of availing itself of the rights and benefits of Associate Membership, including the right to receive on behalf of NCPA's Members any of the various services offered by CRC to its Associate Members; and

WHEREAS, the parties desire to set forth in this Agreement the terms and conditions that shall apply to Associate Member's Associate Membership in CRC and the provision of services to Associate Member by CRC.

NOW, THEREFORE, in consideration of the terms and mutual covenants contained herein, the parties agree as follows:

1. Definitions. The following terms shall have the following meanings as used herein:

   1.1 Customer Contact Center Services. Those services described in the attached Exhibit A.

   1.2 Central Station Alarm Monitoring Services. Those services described in the attached Exhibit B.

   1.3 CRCLink[tm] E-Communications Software Program. The product described in the attached Exhibit C.

   1.4 Subscriber. Members of Associate Member who receive one or more Services.

   1.5 Notification Instructions. Written instructions to CRC provided by Associate Member or its Subscribers identifying by name, address and telephone number, or such other identifying information as CRC shall require, and the party(ies) to be notified upon the receipt of a signal from a monitored location and/or device(s).

   1.6 Responder. A party designated by Associate Member or its Subscribers in a Notification Instruction to receive notification upon the receipt by CRC of a signal from a monitored location and/or device(s).

   1.7 Intellectual Property. All trademarks, trade names, service marks, logos, copyrights, patents, trade secrets and other intellectual property rights now or hereafter owned by CRC or used by CRC pursuant to a licensing agreement.

2. Associate Membership. CRC hereby grants Associate Member all of the rights and benefits of Associate Membership in CRC, including the right to subscribe to and purchase any of the Services offered by CRC on behalf of Associate Member's Subscribers during the term of this Agreement. In consideration of the grant of Associate Membership in CRC, Associate Member shall pay a non-refundable Associate Membership Fee of $250.00 contemporaneously with the execution of this Agreement. Associate Membership shall not include the right to vote on any matter in connection with the operation or governance of the CRC cooperative.

3. Services. Associate Member may purchase for Associate Member's Subscribers consistent with the terms of this Agreement such Customer Contact Center Services, Central Station Alarm Monitoring Services, or the CRCLink E-Communications Software Program, hereinafter collectively "Services" or individually "Service," from CRC as Associate Member may from time to time elect, provided that Associate Member purchase at least one Service continuously after initial cutover for the minimum term set forth herein, pay the Service Fees with respect to

such Service as set forth herein and otherwise comply with any applicable provisions set forth herein. The initial Services which Associate Member elects to purchase from CRC are as follows:

_____ Customer Contact Center Services

_____ Central Station Alarm Monitoring Services

_____ CRCLink E-Communications Software License

Associate Member may notify CRC of its desire to purchase any additional Service at any time after the commencement of the term of this Agreement. Services shall commence upon the installation by Associate Member of the equipment or telecommunications services necessary to access and utilize such Services and receipt by CRC of any necessary worksheets, data base files and procedural instructions for each Service purchased.

Services for any monitored location and/or device(s) shall not commence until CRC has also received any necessary preliminary or final Notification Instructions and an acceptable test signal from that location and/or device(s). CRC shall not be obligated to perform any Services hereunder during any time when CRC fails to receive a call, signal or notification or be liable for any damages as a result of such failure.

To the extent necessary to provide the services selected above, CRC grants Associate Member, and Associate Member accepts, a nonexclusive, nontransferable license to use CRC's CRCLink e-communications software program in accordance with the terms and conditions of the CRCLink Software License Agreement attached hereto as Exhibit C.

Prior to receiving any services from CRC, CRC must receive approval from any current Member of CRC whom adjoins the Subscriber's service territory.

4. Fees. Associate Member shall pay CRC an Initial Associate Membership Fee of $250.00 upon execution of this Agreement. Associate Member shall also pay CRC any Setup Fees and Monthly Service Fees for the Services purchased by Associate Member as specified above or subsequently selected by Associate Member, as such Setup Fees and Monthly Service Fees are set forth in Exhibits A, B, and C. CRC, with the approval of its Board of Directors, may change the Monthly Service Fees upon 90 days' prior written notice to Associate Member. Setup Fees shall be due and payable in advance of the commencement of any selected Service. Monthly Services Fees shall be invoiced to Associate Member and shall be due and payable within 30 days of the date of such invoice. Associate Member shall be charged and agrees to pay a late payment charge of 1.5 percent per month or the highest interest rate permitted by law, whichever is lower or fraction thereof on any amount not paid within 30 days of the date of an invoice. In the event that Associate Member should default in the full and timely payment of any fee due hereunder and fails to cure such default within 10 days of notice by CRC, CRC may, in addition to any remedies provided by law or this Agreement, (i) suspend any and all Services to Associate Member and/or its Subscribers; (ii) provide Services to and receive payment through another CRC Associate Member for Associate Member's Subscribers; (iii) commence an action to collect such past-due amounts (including a $250.00 service reactivation fee); and/or the right to collect any attorney's costs and disbursements fees.

5. Associate Member's Obligations. Associate Member shall be responsible for obtaining, installing, maintaining, and repairing any and all equipment necessary to access or utilize those Services selected by Associate Member, for maintaining proper telephone communications with CRC which also deliver automatic number identification, for designating and making readily available a contact person(s) for all standard operating procedures for those Services, as well as other personnel should Services require dispatching or other assistance during a peak calling event. Associate Member shall notify CRC in a timely manner of any modifications or changes in any data base files, disconnected accounts, Notification Instructions or procedural instructions, or for any requested telephone notification services. Associate Member shall provide to CRC, maintain, and continually update a predetermined line-crew on-call schedule (as applicable) and a complete customer database, including service address, telephone number(s) and service address description(s). With respect to Central Station Alarm Monitoring Services, Associate Member shall directly enter into an alarm monitoring agreement with each of its Subscribers and shall require that each of its Subscribers agree to be responsible for any and all costs charged by any Responder as the result of being notified by CRC of the receipt of a signal from such Subscriber's System.

6. Term. This Agreement shall commence upon the date hereof and continue for a period of one year. Associate Member shall be required to purchase at least one of the Services described herein continuously during such initial term. Thereafter, this Agreement shall be automatically renewed for additional one year terms unless one party shall give the other party written notice of its intent to terminate this Agreement at least 90 days prior to the

expiration of the initial term or any renewal term. If eligible, Associate Member may upgrade, without penalty, from Associate Membership to Membership at any time during the initial or renewal term of the Agreement. In the event that this Agreement is terminated by Associate Member without cause prior to its expiration, Associate Member agrees to pay CRC for each of the services purchased by Associate Member, as liquidated damages, an amount equal to the average of all monthly fees for that service paid by Associate Member during the 12 months prior to termination, or the number of months that the Agreement has been in effect, whichever is less, times the number of months remaining in the term of this Agreement. Such amount shall be due on the 15th day of the month following such termination.

7. Intellectual Property Rights. CRC hereby grants to Associate Member a nonexclusive license to use the Intellectual Property of CRC in conjunction with the services and products offered by Associate Member which utilize any of the Services in accordance with guidelines established by CRC from time to time. Associate Member agrees that CRC shall retain ownership of all such Intellectual Property. Any and all use of CRC's Intellectual Property by Associate Member shall inure to the benefit of CRC. Upon termination of this Agreement, Associate Member shall cease using the Intellectual Property and shall not thereafter adopt or use any colorable imitation of any of such Intellectual Property.

8. Confidentiality. The customer lists of Associate Member and the names, addresses and other information concerning the identity of Associate Member's customers or subscribers shall be considered to be Confidential Information. CRC shall use its commercially reasonable best efforts to preserve the confidentiality of such information, but on no account shall it use less than the same care it uses with respect to its own confidential information of similar sensitivity. Confidential Information shall not include any information that: (i) is generally known by third parties as part of the public domain as a result of no act or omission of the receiving party; (ii) was already independently known by the receiving party and was not received from a third party in breach of any obligation of confidentiality; (iii) was independently developed by the receiving party; or (iv) is required to be disclosed by court order or other lawful government action, but only to the extent so ordered, and provided that the receiving party promptly notifies the disclosing party so that the disclosing party may seek a protective order.

9. Disclaimer of Warranties; Limitation of Liability. CRC does not warrant or represent that any Service will prevent any loss, including, but not limited to, loss by burglary, robbery, fire, medical emergency or environmental emergency. CRC DISCLAIMS ANY AND ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THOSE OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

11. Insurance. During the term of this Associate Membership Agreement, the parties and any Subscriber shall have in force and effect a comprehensive liability insurance policy and carry a minimum of $2,000,000 of liability coverage per occurrence.

12. No Joint Venture or Enterprise. This Associate Membership Agreement does not create a joint venture or joint enterprise between CRC and Associate Member.

13. Force Majeure. CRC shall not be liable for any delay in performance or non-performance of any of its duties assumed hereunder if delayed, hindered or prevented from performance due to any cause beyond its control including, by way of illustration, riots, labor disputes, vandalism, fire, flood, or acts of God.

14. Arbitration. Any dispute, controversy or claim arising out of or in connection with this Agreement shall be determined and settled by arbitration in Sacramento, California, or such other location as the parties may agree, pursuant to the rules then in effect of the American Arbitration Association as modified by this section. Any award rendered shall be final and conclusive upon the parties, their successors and assigns, and a judgment upon such award may be entered in a court having competent jurisdiction. The party submitting such dispute shall request and the American Arbitration Association shall (i) appoint a neutral arbitrator who is knowledgeable in the area of cooperatives and information and communications services; (ii) direct the arbitrator to follow the substantive rules of law and evidence; (iii) allow for the parties to request discovery pursuant to the rules then in effect under the Federal Rules of Civil Procedure for a period not to exceed 90 days; (iv) require the testimony to be transcribed; and (v) require the award to be accompanied by findings of fact and a statement of the reasons for the decision. All costs and expenses of the arbitration, including the arbitrator's fees, shall be borne equally by the parties. Each party shall be responsible for its own attorney's fees.

15. Taxes. Associate Member shall be responsible for and shall pay all applicable property, sales, use or similar taxes imposed by any local, state, national or international public entity with respect to the performance of Services by CRC to Associate Member or any of its Subscribers.

16. Termination. Associate Member agrees that it will not provide any of the above-described Services, or any other services substantially equivalent thereto, which affect competition with CRC during the term of this Agreement, or this Agreement may be terminated by CRC prior to the expiration of the term. This Agreement may be terminated by either party prior to the expiration of the term upon the occurrence of any of the following events:

(a) The other party is in breach of any material provision of this Agreement and fails to remedy such breach within 10 days after written notice of such breach from the non-breaching party, provided, however, that in the case of a breach by Associate Member that consists of the failure to subscribe to at least one Service, notice of such breach shall not be given until Associate Member has failed to subscribe to at least one Service for at least one year;

(b) The other party becomes insolvent, files for bankruptcy protection or other relief from its creditors, or is otherwise the subject of a bankruptcy petition, or makes an assignment for the benefit of its creditors; or

(c) The other party is in noncompliance of any federal, state or local statute, ordinance, regulation or rule and fails to cure such noncompliance within 10 days of written notice of noncompliance from the first party.

17. Notices. Any notice required hereunder shall be effective upon deposit in the U.S. mail, postage prepaid, addressed to the appropriate party at the following addresses:

CRC	Associate Member
Cooperative Response Center, Inc. 2000 8th Street NW Austin, MN 55912	_____ _____ _____

18. Entire Agreement; Modification. This Agreement constitutes the entire agreement between the parties, and no modification hereof shall be valid except in writing signed by both parties.

19. Governing Law. This Agreement shall be interpreted according to and governed by the laws of the State of Minnesota.

IN WITNESS WHEREOF, the parties have hereunto set their hands the day and year first above written.

COOPERATIVE RESPONSE CENTER, INC.

By_____

Its_____

ASSOCIATE MEMBER

By_____

Its_____

Federal Tax ID Number _____

EXHIBIT A
CUSTOMER CONTACT CENTER SERVICES

DESCRIPTION OF SERVICES:

Energy Dispatch Service

CRC shall utilize customer service representatives (voice communication), interactive voice response (IVR) technology, and data communications over the Internet or public telephone and cellular networks to provide after-hour, overflow, and/or 24-hour inbound and/or outbound energy (electric, natural gas and propane) call answering and related dispatching. If a call indicates an electrical, natural gas, propane outage or other problem for one of Associate Member's customers that requires a response or some other action, CRC will notify the Associate Member's line crews or other party designated by Associate Member to be notified in the event of that problem and request that such party respond to the customer's call. CRC will obtain from the customer and convey to the notified party such information as Associate Member shall designate in advance as being necessary or appropriate to respond to that type of problem. CRC shall provide a daily report to Associate Member indicating the calls received or initiated and any follow-up activities that may be required in conjunction therewith.

Customer Care Service

CRC shall utilize customer service representatives (voice communication), and/or interactive voice response (IVR) technology, and data communications over the Internet or public telephone network to provide after-hour, overflow, and/or 24-hour inbound and/or outbound customer care services, which include energy call answering and automatic telephone notification including customer billing call answering and payment processing but not dispatching services, overflow, specialty (such as natural gas and propane) call answering and such other related customer care services as CRC and Member shall agree in advance. CRC will obtain from the customer and convey to the notified party such information as Associate Member shall designate in advance as being necessary or appropriate to respond to that type of inquiry or problem. CRC shall provide a daily report to Associate Member indicating the calls received or initiated and any follow-up activities that may be required in conjunction therewith.

SET-UP FEE (PER SUBSCRIBER):

$1,150.00 This fee covers usual and customary set-up procedures including documentation of information and instructions in the CRCLink E-Communications Software, customer data import, file structure set-up, standard interface set-up, and remote installation of the CRCLink E-Communications Software.

MONTHLY FEES:

The monthly fees per Subscriber for Energy Dispatch Service and Customer Care Service are designated as follows and require a $250 minimum usage level.

Energy Dispatch Services (Per Completed Call Except Base Fee)	
Base Fees (Per Meter)	$0.138
Inbound Voice	$2.058
Inbound Data	$0.160
Inbound Front End Greetings	$0.575
Outbound Voice	$2.058
Outbound Data (Including Callback for Restoration)	$0.900
Phone Notification Services (PNS) (Per job)	
First 200 Calls	$0.900
201 – 1,000	$0.460
Over 1,000	$0.115
Texting Services (No charge up to 50% of Associate Member's meter count per year)	$0.075

Customer Care (Per Completed Call Except Base Fee)	
Energy	
Base Fees (Per Meter)	$0.064
Inbound Voice	$2.940
Inbound Data	$0.300
Inbound Front End Greetings	$1.475
Outbound Voice	$2.940
Outbound Data (Including Callback for Restoration)	$1.360
Texting Services (No charge for up to the lessor of 30,000 texts or 25% of Associate Member's meter count per year)	$0.075
Overflow	
Base Fees (Per Meter)	$0.035
Inbound Voice	$4.340
Inbound Data	$0.460
Inbound Front End Greetings	$1.955
Outbound Voice	$4.340
Outbound Data (Including Callback for Restoration)	$2.040
Texting Services (No charge for up to the lessor of 30,000 texts or 25% of Associate Member's meter count per year)	$0.075
Propane	
Inbound Voice	$3.470
Inbound Data	$1.080
Inbound Front End Greetings	-
Outbound Voice	$3.470
Outbound Data (Including Callback for Restoration)	$1.660
Specialty	
Inbound Voice	$3.470
Inbound Data	$1.080
Inbound Front End Greetings	-
Outbound Voice	$3.470
Outbound Data (Including Callback for Restoration)	$1.660
Phone Notifications Service (PNS)	
Credit Card Payment Surcharge	
Live Call Surcharge	$0.230
Automated Call Surcharge	$0.115
Walk-In Translation Services	
Spanish Translation Services (per minute)	$1.650
Other Language Translation Services (per minute)	$2.100

EXHIBIT C
CRCLINK™ E-COMMUNICATIONS SOFTWARE LICENSE AGREEMENT

CRCLink e-communications software program (the "Software") is designed to provide an interface between an Associate Member's customer information system and CRC's local database to facilitate electronic communication, outage analysis, and report management between CRC and an Associate Member. CRC grants Associate Member, and Associate Member accepts, a nonexclusive, nontransferable license to use the Software, in accordance with the following terms and conditions:

1. License. CRC grants Associate Member a nonexclusive, nontransferable license to use the Software for internal use only in conjunction with the subscription by Associate Member to Services on one computer or a computer network, at the Associate Member's location.

2. Term. The License granted herein shall be coincident with the term of Associate Member's Associate Membership Agreement.

3. License Fees. Associate Member shall pay CRC a Monthly License Fee per Subscriber, as follows, in advance on the first day of each month during the term of this Agreement. The License Fee shall be in addition to the Associate Membership and Service Fees. CRC, with the approval of its Board of Directors, may increase the Monthly License Fee upon 90 days' prior written notice to Associate Member.

CRCLink Monthly License Fees	
Single User License	$255.00
Network License (2-5 Users)	$432.00
Network License (6-10 Users)	$520.00
Network License (11+ Users)	$608.00
CRCLink Monthly Interface Fees	
One Way Outage Management Interface	$30.00
Two way Outage Management Interface	$143.75
AMI Interface	$71.88

4. Ownership. The Software and all copies thereof, including translations, compilations, partial copies with modifications and updated works, are proprietary to CRC, and title thereto shall remain in CRC. All applicable know-how, trade secrets, patents, trademarks and copyrights in the Software and any modifications thereto are, and shall remain, the property of CRC. Associate Member shall not remove, alter or destroy any form of copyright notice, proprietary markings or confidential legends placed upon or contained in the Software.

5. Restrictions. Associate Member shall not translate, disassemble, reverse engineer, decompile or otherwise attempt to reconstruct or discover any source code or underlying ideas or algorithms of, or embodied in, the Software. Associate Member shall not cause or permit unauthorized copying, reproduction or disclosure of any portion of the Software to any third party, for any purpose whatsoever, including, but not limited to, transmission, uploading, downloading, or operating the Software as a timeshare or service bureau without the prior written consent of CRC.

6. Confidentiality. Associate Member acknowledges that the Software contains trade secrets and other proprietary information of CRC. Associate Member shall permit access to the Software only by its employees that have a need to know in connection with the License granted herein. Associate Member shall secure and protect the Software and any copies thereof in a manner consistent with the maintenance of CRC's rights therein and shall take appropriate action by instruction or agreement with its employees who are permitted access to the Software to satisfy its obligations hereunder. Associate Member shall maintain the confidentiality of the Software using the same care as Associate Member uses to maintain the confidentiality of its own confidential information. Associate Member acknowledges that the disclosure of any aspect of the Software, or any other confidential information referred to herein, will immediately give rise to irreparable injury to CRC inadequately compensable by damages at law, and CRC shall be entitled to obtain immediate injunctive relief against the breach or threatened breach of the foregoing confidentiality undertakings, in addition to any other legal remedies which may be available, and Associate Member hereby consents to the obtaining of such injunctive relief. Associate Member waives any requirement that CRC post a bond in order to obtain such relief.

7. Installation and Training. CRC shall provide Associate Member with a CD-ROM for Associate Member to install. CRC shall provide Associate Member with training in the use of the Software in any of three types of formats: at CRC's headquarters in Austin, Minnesota, at Associate Member 's site, or Web-based.

Training and Orientation	
On-Site (1st Day)	$863 (plus any associated travel-related expenses incurred by CRC)
On-Site (2nd Day)	$432 (plus any associated travel-related expenses incurred by CRC)
CRC Site (Per Day)	$216.00
Web-Based (Per Session)	$216.00

8. Hardware and Telecommunications Requirements. Associate Member shall install and run Software on a client-server network or personal computer which operates at certain minimum hardware and telecommunications requirements which are available upon request from Member.

9. Maintenance and Upgrades. CRC will provide Associate Member with telephone maintenance and support for the Software including upgrades and version upgrades as CRC may release from time to time. Member agrees to comply with CRC's minimum hardware and telecommunications requirements. Failure to do so shall terminate the maintenance and support of Software until such time Member complies with these hardware and telecommunications requirements.

10. Limited Warranty. CRC warrants that the Software will conform, as to all substantial operational features, to CRC's current published specifications when installed and will be free from defects which substantially affect system performance. Associate Member shall notify CRC in writing within 90 days of installation of the Software of any defect in the Software. If the Software is found to be defective by CRC, CRC's sole obligation under this warranty shall be to remedy such defect or replace the Software. THIS LIMITED WARRANTY IS THE ONLY WARRANTY MADE BY CRC. CRC MAKES AND ASSOCIATE MEMBER RECEIVES NO OTHER WARRANTY, EXPRESS OR IMPLIED, INCLUDING ANY AND ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. CRC SHALL HAVE NO LIABILITY WITH RESPECT TO ITS OBLIGATIONS UNDER THIS AGREEMENT FOR CONSEQUENTIAL, EXEMPLARY, OR INCIDENTAL DAMAGES, EVEN IF IT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THE WARRANTY CONTAINED HEREIN IS IN LIEU OF ALL LIABILITIES AND OBLIGATIONS OF CRC FOR DAMAGES ARISING OUT OF OR IN CONNECTION WITH THE DELIVERY, USE OR PERFORMANCE OF THE SOFTWARE. If any modifications are made to the Software by Associate Member, this warranty shall be null and void.

11. Indemnity for Infringement. CRC shall at its own expense defend any action brought against Associate Member to the extent that it is based on a claim that the Software infringes any patents, copyrights, license or other property right, provided that CRC is immediately notified of such claim in writing. CRC shall have the right to control the defense of all such claims, lawsuits or other proceeding. In no event shall Associate Member settle any such claim, lawsuit or proceeding without CRC's prior written approval.

12. Taxes. Associate Member shall, in addition to the other amounts payable under this Agreement, pay all sales and other taxes, federal, state, or otherwise, however designated, which are levied or imposed by reason of this Agreement. Without limiting the foregoing, Associate Member shall promptly pay to CRC an amount equal to any such items actually paid by CRC, or required to be collected or paid by Associate Member.

13. Assignment. Associate Member may not assign, delegate or otherwise transfer any of its rights or obligations under this Agreement.

14. Modification and Waiver. This Agreement shall not be amended or modified except in writing signed by each party. The failure of either party to exercise any right under this Agreement shall not be deemed to be a waiver of that right.

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Commission Staff Report

Date: October 14, 2019

COMMISSION MEETING DATE: October 24, 2019

SUBJECT: CT1 Alameda Unit 2 Generator Major Overhaul Project; Applicable to the following projects: CT1 Alameda Facility

AGENDA CATEGORY: Consent

FROM:	Joel Ledesma JL Assistant General Manager	**METHOD OF SELECTION:** *Competitive Pricing Process*
Division:	Generation Services	*If other, please describe:*
Department:	Combustion Turbines	

IMPACTED MEMBERS:

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

If other, please specify

RECOMMENDATION:

Approval of Resolution 19-81 authorizing the CT1 Alameda Unit 2 Generator Major Overhaul Project using Electrical Maintenance Consultants (EMC) and authorizing the General Manager or his designee to enter into agreements and to issue purchase orders to complete this work without further approval by the Commission, with a total cost not to exceed $440,000.

BACKGROUND:

NCPA conducted an inspection and electrical testing on Alameda Unit 2 generator to determine the operating condition and plan for a major outage based on findings. There are signs of oil seepage on the lower oil seals on the generator and gearbox. NCPA is currently monitoring for further degredation. The generator is also due for a routine maintenance overhaul.

Alameda Unit 2 was originally scheduled for an outage to complete routine maintenance work from March 2, 2020, through March 29, 2020. Staff is requesting that the Unit 2 outage schedule be revised to extend the completion date to April 17, 2020, due to the additional work required.

FISCAL IMPACT:

Total cost of the work is estimated not to exceed $440,000. This project is included in the current fiscal year budget for $400,000 under the maintenance reserve account. An additional $40,000 will come out of the fixed maintenance accounts. Cost allocation will be based on project participation percentages.

SELECTION PROCESS:

In accordance with NCPA's procurement policies and procedures, NCPA conducted a job walkdown on August 6, 2019, which four vendors attended: Electrical Maintenance Consultants (EMC), Mechanical Dynamics & Analysis, LLC (MD&A), Power Services Group, and Sulzer Turbo. Bids were due on August 23, 2019. NCPA only received bids from two vendors: EMC and MD&A. EMC was the lowest responsive bidder at $403,000.

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 October 2, 2019. No formal action was taken due to the lack of a quorum, however, the Members present at the meeting voiced their support for the recommendation, and no other meeting attendees had any objections.

Respectfully submitted,

RANDY S. HOWARD
General Manager

Attachments (1):

- Resolution

SR: 210:19

RESOLUTION 19-81

RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY APPROVING THE CT1 ALAMEDA UNIT 2 GENERATOR MAJOR OVERHAUL PROJECT

(reference Staff Report #210:19)

WHEREAS, the Northern California Power Agency (NCPA) operates and maintains the CT1 Alameda facility on behalf of the project participants; and

WHEREAS, NCPA conducted an inspection and electrical testing on Alameda Unit 2 generator to determine the operating condition and plan for a major outage based on findings. There are signs of oil seepage on the lower oil seals on the generator and gearbox. NCPA is currently monitoring for further degredation. The generator is also due for a routine maintenance overhaul; and

WHEREAS, NCPA conducted a job walkdown on August 6, 2019 in which four vendors attended: Electrical Maintenance Consultants (EMC), Mechanical Dynamics & Analysis, LLC (MD&A), Power Services Group, and Sulzer Turbo. Bids were due on August 23, 2019. NCPA received bids from two vendors: EMC and MD&A. EMC was the lowest responsive bidder at $403,000; and

WHEREAS, NCPA now seeks approval of the Unit 2 Generator Major Overhaul Project at the CT1 Alameda facility; 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 approves the CT1 Alameda Unit 2 Generator Major Overhaul Project using Electrical Maintenance Consultants (EMC), and authorizing the General Manager or his designee to enter into agreements and to issue purchase orders necessary to complete this work without further approval by the Commission, with a total cost not to exceed $440,000.

PASSED, ADOPTED and APPROVED this ____ day of _____, 2019 by the following vote on roll call:

	Vote	Abstained	Absent
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			

_____
ROGER FRITH
CHAIR

ATTEST:

_____
CARY A. PADGETT
ASSISTANT SECRETARY

23

Commission Staff Report

Date *October 16, 2019*

COMMISSION MEETING DATE: October 24, 2019

SUBJECT: Five Year Multi-Task Professional Services Agreement with Utility Services, Inc. for North American Electric Reliability Corporation (NERC) regulatory compliance services, with a not to exceed amount of $1,000,000; Applicable to the following projects: All Northern California Power Agency (NCPA) Facilities, NCPA Members, Southern California Public Power Authority (SCPPA), and SCPPA Members.

AGENDA CATEGORY: Consent

FROM:	Randy S. Howard	**METHOD OF SELECTION:**
	General Manager	*N/A*
Division:	Executive Services	*If other, please describe:*
Department:	Compliance	

IMPACTED MEMBERS:

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

If other, please specify

_____

_____

SR: 214:19

RECOMMENDATION:

Approval of Resolution 19-82 authorizing the General Manager or his designee to enter into a Multi-Task Professional Services Agreement with Utility Services, Inc., for NERC regulatory compliance 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, NCPA Members, SCPPA, and SCPPA Members.

BACKGROUND:

NERC regulatory compliance services are required from time to time related to NCPA, SCPPA, and their Members owned and operated distribution, generation, transmission, and control center facilities.

FISCAL IMPACT:

Upon execution, the total cost of the agreement is $1,000,000 over five years, to be used out of the NCPA approved budget. Purchase orders referencing the terms and conditions of the Agreement will be issued following NCPA Procurement Policies and Procedures.

SELECTION PROCESS:

NCPA will issue purchase orders based on cost and availability of the services needed at the time the service is required. NCPA currently has agreements with Burns and McDonnell Engineering Company, Inc., and Utility System Efficiencies, Inc. This enabling agreement does not commit NCPA to any expenditure of funds.

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 October 2, 2019. No formal action was taken due to the lack of a quorum, however, the Members present at the meeting voiced their support for the recommendation, and no other meeting attendees had any objections.

Respectfully submitted,

RANDY S. HOWARD
General Manager

Attachments (2):

- Resolution 19-82
- Multi-Task Professional Services Agreement with Utility Services, Inc.

SR: 214:19

RESOLUTION 19-82

RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY APPROVING A MULTI-TASK PROFESSIONAL SERVICES AGREEMENT WITH UTILITY SERVICES, INC.

(reference Staff Report #214:19)

WHEREAS, North American Electric Reliability Corporation (NERC) regulatory compliance services are periodically required at the facilities owned and/or operated by the Northern California Power Agency (NCPA), NCPA Members, Southern California Public Power Authority (SCPPA), and SCPPA Members; and

WHEREAS, Utility Services, Inc. is a provider of these services; and

WHEREAS, NCPA seeks to enter into a Multi-Task Professional Services Agreement with Utility Services, Inc. to provide such services as needed at all NCPA Facilities, NCPA Members, SCPPA, and SCPPA Members in an amount not to exceed $1,000,000 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; 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 Professional Services Agreement with Utility Services, Inc., with any non-substantial changes as approved by the NCPA General Counsel, which shall not exceed $1,000,000 over five years, for NERC regulatory reliability compliance services, for use at all facilities owned and/or operated by NCPA, NCPA Members, SCPPA, and SCPPA Members.

PASSED, ADOPTED and APPROVED this ____ day of _____, 2019 by the following vote on roll call:

	Vote	Abstained	Absent
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			

_____
ROGER FRITH
CHAIR

ATTEST:

_____
CARY A. PADGETT
ASSISTANT SECRETARY

MULTI-TASK PROFESSIONAL SERVICES AGREEMENT BETWEEN THE NORTHERN CALIFORNIA POWER AGENCY AND UTILITY SERVICES, INC.

This Professional 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 Utility Services, Inc., a Vermont corporation with its office located at 1080 Waterbury-Stowe Rd., Suite 2, Waterbury, VT 05676 ("Consultant") (together sometimes referred to as the "Parties") as of _____, 2019 ("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 Services 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, or no later than five (5) years 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, immediately 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 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 dollars ($1,000,000) 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
AcctsPayable@ncpa.com

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. 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 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.** 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 minimum limit of $2,000,000 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.** 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 minimum limit of $2,000,000 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.** 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) and two million dollars ($2,000,000) aggregate covering the Consultant'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 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 and, if requested by Agency, provide evidence of coverage during this period.

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 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.

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

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

Agency member, SCPPA or Agency member for which the Services are to be performed.

4.4.5 **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. In addition, 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.

4.5 **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 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, 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, and hold harmless the Agency and its officials, commissioners, officers, employees, and volunteers from and against any and all claims to the extent that the claims arise out of, pertain to or relate to the negligence, recklessness or willful misconduct of the Consultant in its performance of Services under this Agreement, excluding any fines or penalties assessed during an audit, spot check, or self-report to FERC, NERC or any regional compliance entity.. Consultant shall bear all losses, costs, damages, expense and liability of every kind, nature and description to the extent that they 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 negligence, active negligence, or willful misconduct of the 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 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 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 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 are unfinished at the time of breach and the amount that Agency would have paid Consultant pursuant hereto if Consultant had completed the Services.

8.5 **Options upon Breach by Agency**. If Agency materially breaches any of the terms of this Agreement, Consultant's remedies shall include, but not be limited to, the following:

8.5.1 Immediately terminate the Agreement.

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, 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 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 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 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.

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 Randy S. Howard, 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:

Mr. Brian Evans-Mongeon
President and CEO
Utility Services, Inc.
1080 Waterbury-Stowe Rd., Suite 2
Waterbury, VT 05676

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

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, 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 Services relating to such Member.

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

NORTHERN CALIFORNIA POWER AGENCY	UTILITY SERVICES, INC.
Date:	Date:
Randy S. Howard, General Manager	**Brian Evans-Mongeon, President**

Attest:

Assistant Secretary of the Commission

Approved as to Form:

Jane E. Luckhardt, General Counsel

EXHIBIT A
SCOPE OF SERVICES

Utility Services, Inc. ("Consultant") shall provide NERC related regulatory compliance and consulting services as requested by the Northern California Power Agency ("Agency") at any facilities owned or operated by NCPA, its Members, the Southern California Power Authority ("SCPPA"), or SCPPA members.

Utility Services, Inc.
Generic Services List and Descriptions:

Program Services
Our team of experts can take this burden off your internal team when it comes to navigating the fluid, dynamic, and ever-changing world of NERC Reliability Standards. Utility Services can review and evaluate your current structures, provide feedback, and propose tailored solutions.

Program Development
Creating compliance programs is a massive task to undertake. Are you ERO ready? Our staff can help you design a custom fit program to your organization's needs, or you can choose to use one of our pre-made templates. Whether a custom program or pre-established template, you can trust the quality as they have been crafted by our experience assisting with program designs and actual audits.

Compliance Program Reviews
Evaluating compliance programs and its associated evidence periodically, for example prior to an audit, is an important part of a robust program. This can be conducted in several ways, depending on the needs of your organization:

Readiness Reviews
With an Utility Services Readiness Review, an entity can enter a compliance engagement process with confidence knowing that their program having been evaluated against expected performance requirements. This evaluation provides you with a quality assessment of your program against the applicable reliability standards. We offer you a sense of your strengths and weaknesses, plus provide suggested improvements to better align your performance to the expected demands. This information is based upon our involvement in hundreds of audits and compliance examinations.

Mock Audits
Mock Audits are a readiness review strategy where we evaluate your site in the same capacity as a NERC compliance audit would. Doing this can allow us to identify possible weaknesses or areas of growth and development for your site.

Subject Matter Expert (SME) Interviews
Audits can be hard, and it can be stressful for your Subject Matter Expert to go through. We can help prepare your SME for this through an interview session(s) to prepare them for what they need to know so they can be confident in the audit process.

Security and Preparedness
Cyber and Physical Risk Preparedness Assessments
This may be one of the best ways to address the growing cyber and physical threats on the electric sector. Sentry Services, a Utility Services business unit, bases its program off of the DOE's ES-C2M2 maturity model and the E-ISAC's CRPA program to tailor and adapt a risk preparedness assessment specific to an organization's needs.

Cyber and Physical Incident Response Assessments
Attacks on the electric sector are becoming more frequent, sophisticated, and increasingly dangerous. Therefore, it has become even more evident that electric organizations need to create and maintain an effective incident response plan. We can aid your entity in the creation and maintenance of this plan in order to mitigate the risk posed by the modern age.

Securing the Grid (STG)
STG is a custom designed table-top exercise and can be performed after an entity's Cyber and Physical Preparedness Assessment, or as a challenge to your organization's practices and policies. The exercises will allow the participants to understand, enhance and ensure their cyber and physical security procedures. This program includes a detailed post exercise report for your reference and follow up requirements. A Certificate of Participation is also a part of this program and has been used for demonstrating your performance in the requirements of certain reliability standards.

Securing the Grid Catalog
Utility Services has put together a catalog of scenarios for entities to choose from when designing your exercise. You have your choice of cyber, physical, emergencies, and incident management situations. Ask to take a look!

Background Checks
Background checks are a critical security protocol to establish an individual's security clearances. Whether it is a corporate requirement, or one bound by standards, we can provide you will the valuable information you need.

Education and Organizational Culture

Reliability Assurance Continuing Education (RACE) Training Program

RACE is a compliance, reliability, and security training resource for power industry entities to utilize to raise their employee's awareness on the topics surrounding industry compliance standards and structure. Ask US to provide you our Course Catalog and get you started on your RACE Scorecard.

Client Days

As a USI client, you receive the added benefit of being invited to our annual Client Day workshop. Our workshops include discussions with staff and other USI customers on the prevalent topics of the day. Our workshops are held in various locations or can be geared to specifically meet your needs. These events provides you with the latest compliance education, and training while providing a space to network with other industry professionals.

Compliance Calls and Presentations

For those who would prefer a more regular discussion and training schedule, Utility Services offers weekly, bi-weekly, or monthly calls and presentations for entities who want to learn more about their NERC requirements. Utility Services can tailor each call and presentation to an entity's individual needs.

"US News & NERC Report", "Brian's Blog", and Security Alert

When you become a client of Utility Services you are invited to sign up for our bi-weekly Newsletter and email list for "Brian's Blog". The "US News & NERC Report" addresses current NERC compliance news, upcoming meetings, and general compliance topics. "Brian's Blog" is our CEO's noteworthy news, meeting reminders, and general "need to know" information. The Utility Services' Security Alert disseminates important cyber and physical news that need to go out on those specialized needs. These notices can be directed to those persons in your organization that would benefit from these special notices.

Aside from our own experiences highlighted above, some of our contractors have been auditors deployed within regions and were instrumental in the development of the regional compliance program. Utility Services, Inc. seeks and retains contractors with varied background and expertise in order to provide for the diverse needs of its constituency. The contractors give the company the ability to match a customer's needs with the right information and knowledge, as well as having a regional perspective, and while USI tries to use its full time employee's when they can, schedules can be conflicting and the use of a Subcontractor may be deemed necessary. Subcontractors hold the same levels of insurance and standards of security as USI.

Subcontractors:

- Garth Arnott
- Kim Pitchell
- Kirstine Broos
- Joe Spencer
- David Belanger
- Sal Buffamante
- Alan Freeman-Scott

EXHIBIT B
COMPENSATION SCHEDULE AND HOURLY FEES

Service Rate Sheet

Utility Services offers its customers pricing designed for their needs. Projects/Tasks/Scope of Work services can be structured on the following bases:

- Time &
- Materials
- Not to Exceed
  Fixed Pricing
- Other accommodations, if desired

When Utility Services uses an hourly billing rate structure for any work performed, the following table outlines the specific hourly rates for the different class of worker used.

Hourly Rate Table for Readiness Reviews, Audits, & 1st Run Compliance	Normal Hourly	Discount Hourly Rates
Executive	$225.00	$200.00
Technical/Compliance Analyst	$210.00	$180.00
Associate	$175.00	$160.00
Hourly Rate for all other types of work	$195.00	$175.00
Travel time (when billable)	$140.00	$120.00

- Customers are entitled to Discount Hourly Rates when the customer agrees to:
  - Paying a fixed fee price for work described in Section 2.1 of the standard Services Agreement, or
  - Subscribing to a fixed number of hours of work within a monthly period for work to be performed under Sections 2.1 and 2.2.
- For work periods less than an hour, it is the discretion of the Utility Services to determine what amount of time is appropriate. Typically, the smallest increment billed is fifteen (15) minutes.

Other Pricing Provisions

- Clients are responsible for costs directly assignable to them for work performed.
- Travel related expenses directly attributable to the client/task project are billed at cost with no mark up.
- Utility Services uses the maximum allowed IRS mileage reimbursement
- rate. Travel time for the Executives is not billed but it may be for other personnel.
- Company specific or confidential information is not shared without the permission of the respective organization.
- To the extent possible, Utility Services can and will combine meetings and expenses and may allocate a portion of such expenses to the clients involved during that time.
- Information obtained by Utility Services is available and routinely shared with clients for their performance with the ERO.
- Pricing set by our CIP Maintenance Program efforts are not subject to change per this announcement.

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 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:

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.

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Commission Staff Report

October 16, 2019

COMMISSION MEETING DATE: October 24, 2019

SUBJECT: Approval of CY 2020 Northern California Power Agency (NCPA) Capacity Pool Rates

AGENDA CATEGORY: Consent

FROM:	Tony Zimmer	**METHOD OF SELECTION:**
	AGM, Power Management	*N/A*
Division:	Power Management	*If other, please describe:*
Department:	Power Management	

IMPACTED MEMBERS:

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

If other, please specify

RECOMMENDATION:

NCPA staff recommends that the Commission approve and adopt the Local Area, System and Flexible Resource Adequacy capacity rates proposed herein for use in the NCPA Capacity Pool, as further described in Pooling Schedule 4, during the 2020 Resource Adequacy compliance year.

BACKGROUND:

The NCPA Capacity Pool was developed and incorporated into the Second Amended and Restated Pooling Agreement to provide a mechanism for Pool members[1] to voluntarily transact Local Area, System and Flexible Resource Adequacy capacity in an efficient manner through the NCPA All Resources Bill. In accordance with Pooling Schedule 4, Section 3.8, an ad hoc group of Pool members is to be organized to develop and propose Local Area, System and Flexible Resource Adequacy capacity rates to the Commission for approval, and pending such approval, the rates adopted will be used to price Local Area, System and Flexible Resource Adequacy capacity transactions executed in the NCPA Capacity Pool.

DISCUSSION:

An ad hoc group of Pool members was organized to develop Local Area, System and Flexible Resource Adequacy capacity rates to be used in the NCPA Capacity Pool during the 2020 Resource Adequacy compliance year[2]. The ad hoc group of Pool members used a combination of formal and informal market price surveys to develop a negotiated rates for Local Area, System and Flexible Resource Adequacy capacity to be used within the NCPA Capacity Pool. NCPA, on behalf of the Pool members, is seeking Commission approval of the proposed Local Area, System and Flexible Resource capacity rates for use in the NCPA Capacity Pool during the 2020 Resource Adequacy compliance year.

CAPACITY RATES:

The following Local Area, System and Flexible Resource Adequacy capacity rates have been developed for use in the NCPA Capacity Pool during the 2020 Resource Adequacy compliance year:

- Local Area Capacity Rate:
  - $5.50 / kW-Month (May 2020 – September 2020)
  - $5.07 / kW-Month (January 2020 – April 2020 and October 2020 – December 2020)
- System Capacity Rate:
  - $5.00 / kW-Month (May 2020 – September 2020)
  - $4.57 / kW-Month (January 2020 – April 2020 and October 2020 – December 2020)

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[1] NCPA Pool members include cities Alameda, Biggs, Gridley, Healdsburg, Lodi, Lompoc, Palo Alto, and Ukiah, and Plumas-Sierra Rural Electric Cooperative, and the Port of Oakland.
[2] The 2020 Resource Adequacy compliance year is coincident with the 2020 calendar year, but includes data submittals and demonstrations that will be filed with the CAISO in 2019.

- Flexible Capacity Rate:
  - $0.50 / kW-Month (January 2020 – December 2020)

FISCAL IMPACT:

Work associated with developing the NCPA Capacity Pool Local Area, System and Flexible Resource Adequacy capacity rates was undertaken pursuant to approved Power Management budget categories, and costs associated with this effort are allocated in accordance with approved cost allocation methodologies as described in the NCPA annual 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:

The recommendation presented herein was reviewed by the Facilities Committee on September 4, 2019, and was recommended for Commission approval on Consent Calendar.

Respectfully submitted,

RANDY S. HOWARD
General Manager

Attachments: Resolution 19-83

RESOLUTION 19-83

RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY
CY 2020 NORTHERN CALIFORNIA POWER AGENCY CAPACITY POOL RATES

(reference Staff Report #215:19)

WHEREAS, the Northern California Power Agency (NCPA) Capacity Pool was developed and incorporated into the Second Amended and Restated Pooling Agreement to provide a mechanism for Pool members[1] to voluntarily transact Local Area, System and Flexible Resource Adequacy capacity in an efficient manner through the NCPA All Resources Bill; and

WHEREAS, in accordance with Pooling Schedule 4, Section 3.8, an ad hoc group of Pool members is to be organized to develop and propose Local Area, System and Flexible Resource Adequacy capacity rates to the Commission for approval, and pending such approval, the rates adopted will be used to price Local Area, System and Flexible Resource Adequacy capacity transactions executed in the NCPA Capacity Pool; and

WHEREAS, an ad hoc group of Pool members was organized to develop Local Area, System and Flexible Resource Adequacy capacity rates to be used in the NCPA Capacity Pool during the 2020 Resource Adequacy compliance year[2]; and

WHEREAS, the ad hoc group of Pool members used a combination of formal and informal market price surveys to develop a negotiated rate for Local Area, System and Flexible Resource Adequacy capacity to be used within the NCPA Capacity Pool, and NCPA, on behalf of the Pool members, is seeking Commission approval of the proposed Local Area, System and Flexible Resource capacity rates for use in the NCPA Capacity Pool during the 2020 Resource Adequacy compliance year; and

WHEREAS, the following Local Area, System and Flexible Resource Adequacy capacity rates have been developed for use in the NCPA Capacity Pool during the 2020 Resource Adequacy compliance year:

- Local Area Capacity Rate:
  - $5.50 / kW-Month (May 2020 – September 2020)
  - $5.07 / kW-Month (January 2020 – April 2020 and October 2020 – December 2020)
- System Capacity Rate:
  - $5.00 / kW-Month (May 2020 – September 2020)
  - $4.57 / kW-Month (January 2020 – April 2020 and October 2020 – December 2020)
- Flexible Capacity Rate:
  - $0.50 / kW-Month (January 2020 – December 2020)

WHEREAS, work associated with developing the NCPA Capacity Pool Local Area, System and Flexible Resource Adequacy capacity rates was undertaken pursuant to approved Power Management budget categories, and costs associated with this effort are allocated in accordance with approved cost allocation methodologies as described in the NCPA annual budget; and

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[1] NCPA Pool members include cities Alameda, Biggs, Gridley, Healdsburg, Lodi, Lompoc, Palo Alto, and Ukiah, and Plumas-Sierra Rural Electric Cooperative, and the Port of Oakland.

[2] The 2020 Resource Adequacy compliance year is coincident with the 2020 calendar year, but includes data submittals and demonstrations that will be filed with the CAISO in 2019.

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 approves and adopts the Local Area, System and Flexible Resource Adequacy capacity rates proposed herein for use in the NCPA Capacity Pool, as further described in Pooling Schedule 4, during the 2020 Resource Adequacy compliance year.

PASSED, ADOPTED and APPROVED this ____ day of _____, 2019 by the following vote on roll call:

	Vote	Abstained	Absent
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			

_____
ROGER FRITH
CHAIR

ATTEST: _____
CARY A. PADGETT
ASSISTANT SECRETARY

A PUBLIC AGENCY
NCPA
NORTHERN CALIFORNIA POWER AGENCY

Commission Staff Report

Date *October 16, 2019*

COMMISSION MEETING DATE: October 24, 2019

SUBJECT: Approval of Amendment to Pooling Schedule 4 of the Northern California Power Agency (NCPA) Capacity Pool

AGENDA CATEGORY: Consent

FROM:	Tony Zimmer	**METHOD OF SELECTION:**
	AGM, Power Management	*N/A*
Division:	Power Management	*If other, please describe:*
Department:	Power Management	

IMPACTED MEMBERS:

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

If other, please specify _____

_____

RECOMMENDATION:

NCPA staff recommends that the Commission approve and adopt the amended Pooling Schedule 4 attached hereto, to enable Pool members to transact Flexible Resource Adequacy Capacity attributes in the NCPA Capacity Pool, including any non-substantive modifications made to the amended Pooling Schedule 4 as approved by NCPA's General Counsel.

BACKGROUND:

The NCPA Capacity Pool was originally developed and incorporated into Pooling Schedule 4 of the Second Amended and Restated Pooling Agreement (Pooling Agreement) to provide a mechanism for Pool members[1] to voluntarily transact Local Area and System Resource Adequacy capacity in an efficient manner through the NCPA All Resources Bill. Subsequent to the development and implementation of the NCPA Capacity Pool mechanism, the California Independent System Operator (CAISO) created a new Resource Adequacy capacity attribute called Flexible Resource Adequacy capacity. The original NCPA Capacity Pool mechanism did not include rules for transacting Flexible Resource Adequacy capacity attributes. As the Pool members prepare for the next annual Resource Adequacy transaction cycle, the NCPA Pool members have requested NCPA staff to update Pooling Schedule 4 to include the ability for Pool members to transact Flexible Resource Adequacy capacity attributes in the NCPA Capacity Pool.

DISCUSSION:

Staff, working in direct coordination with the Pool members, have developed an amended Pooling Schedule 4 that will enable Pool members to transact Flexible Resource Adequacy capacity attributes in the NCPA Capacity Pool. The amended Pooling Schedule 4 has been updated to enable Pool members to transact Flexible Resource Adequacy capacity as an attribute that can be transacted as a bundled product with Local Area or System Resource Adequacy capacity, or transacted as a standalone attribute (subject to specific requirements). In addition to adding provisions for transacting Flexible Resource Adequacy capacity attributes in the NCPA Capacity Pool, NCPA staff have also revised certain other provisions contained in Pooling Schedule 4 to ensure the NCPA Capacity Pool mechanism is consistent with current business practices.

A clean and redline copy of the amended Pooling Schedule 4 is attached to this Staff Report for your reference.

FISCAL IMPACT:

Work associated with developing the amended Pooling Schedule 4 was undertaken pursuant to approved Power Management budget categories, and costs associated with this effort are allocated in accordance with approved cost allocation methodologies as described in the NCPA annual budget.

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[1] NCPA Pool members include cities Alameda, Biggs, Gridley, Healdsburg, Lodi, Lompoc, Palo Alto, and Ukiah, and Plumas-Sierra Rural Electric Cooperative, and the Port of Oakland.

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.

COMMISSION AUTHORITY:

Pursuant to Section 17.7.2 of the Pooling Agreement, any addition to, amendment to or repeal of the Pooling Schedules attached to the Pool Agreement shall take effect after being approved by the Commission in a manner consistent with the voting procedures set forth in Section 3.5 of the Pooling Agreement, without the requirement of an approval of the individuals Participants' governing bodies.

Respectfully submitted,

RANDY S. HOWARD
General Manager

Attachments (3):

- Resolution 19-84
- Amendment to Pooling Schedule 4 (Clean Version)
- Amendment to Pooling Schedule 4 (Redline Version)

SR: 216:19

RESOLUTION 19-84

RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY APPROVAL OF AMENDMENT TO POOLING SCHEDULE 4 OF THE NORTHERN CALIFORNIA POWER AGENCY CAPACITY POOL

(reference Staff Report #216:19)

WHEREAS, the Northern California Power Agency (NCPA) Capacity Pool was originally developed and incorporated into Pooling Schedule 4 of the Second Amended and Restated Pooling Agreement (Pooling Agreement) to provide a mechanism for Pool members[1] to voluntarily transact Local Area and System Resource Adequacy capacity in an efficient manner through the NCPA All Resources Bill; and

WHEREAS, subsequent to the development and implementation of the NCPA Capacity Pool mechanism, the California Independent System Operator (CAISO) created a new Resource Adequacy capacity attribute called Flexible Resource Adequacy capacity, and the original NCPA Capacity Pool mechanism did not include rules for transacting Flexible Resource Adequacy Capacity attributes; and

WHEREAS, as the Pool members prepare for the next annual Resource Adequacy transaction cycle, the NCPA Pool members have requested NCPA staff to update Pooling Schedule 4 to include the ability for Pool members to transact Flexible Resource Adequacy capacity attributes in the NCPA Capacity Pool; and

WHEREAS, NCPA staff, working in direct coordination with the Pool members, have developed an amended Pooling Schedule 4 that will enable Pool members to transact Flexible Resource Adequacy capacity attributes in the NCPA Capacity Pool; and

WHEREAS, the amended Pooling Schedule 4 has been updated to enable Pool members to transact Flexible Resource Adequacy capacity as an attribute that can be transacted as a bundled product with Local Area or System Resource Adequacy capacity, or transacted as a standalone attribute (subject to specific requirements); and

WHEREAS, in addition to adding provisions for transacting Flexible Resource Adequacy capacity attributes in the NCPA Capacity Pool, NCPA staff have also revised certain other provisions contained in Pooling Schedule 4 to ensure the NCPA Capacity Pool mechanism is consistent with current business practices; and

WHEREAS, work associated with developing the amended Pooling Schedule 4 was undertaken pursuant to approved Power Management budget categories, and costs associated with this effort are allocated in accordance with approved cost allocation methodologies as described in the NCPA annual budget; 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 amended Pooling Schedule 4 attached to Staff Report 216:19, to enable Pool members to transact Flexible Resource Adequacy Capacity attributes in the NCPA Capacity Pool, including any non-substantive modifications made to the amended Pooling Schedule 4 as approved by NCPA's General Counsel.

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[1] NCPA Pool members include cities Alameda, Biggs, Gridley, Healdsburg, Lodi, Lompoc, Palo Alto, and Ukiah, and Plumas-Sierra Rural Electric Cooperative, and the Port of Oakland.

PASSED, ADOPTED and APPROVED this ____ day of _____, 2019 by the following vote on roll call:

	Vote	Abstained	Absent
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			

_____
ROGER FRITH
CHAIR

ATTEST: _____
CARY A. PADGETT
ASSISTANT SECRETARY

POOLING SCHEDULE 4

NCPA CAPACITY POOL

Section 1. **NCPA Capacity Pool.** Pursuant to Section 5.2 of this Agreement, each Participant is required to comply with capacity reserve requirements established by its applicable regulatory authority. Each Participant may comply with such requirements by either participating in the NCPA Capacity Pool or by providing a compliance demonstration pursuant to the rules and criteria established by its applicable regulatory authority. This Pooling Schedule 4 establishes the rules and criteria for participating in the NCPA Capacity Pool, and includes the NCPA Capacity Pool Capacity Transfer Process.

The NCPA Capacity Pool participants recognize that to achieve a high degree of reliability in the electric service supplied to their customers, an amount of resources sufficient to meet both the immediate loads of their customers and to also permit maintenance, to provide for planning and forced generation outages, and to account for load forecast errors is required. In order to achieve a high degree of reliability in the electric service supplied to their customers, the NCPA Capacity Pool participants have elected to develop a common set of mandatory standards and criteria against which Participants that elect to participate in the NCPA Capacity Pool will be measured to determine if

Participants have acquired sufficient capacity to maintain the desired high degree of reliability.

The CAISO Tariff contains provisions requiring all load serving entities that have a peak demand exceeding one (1) MW, and that serve demand within the CAISO balancing authority area, to demonstrate that they have acquired sufficient capacity to meet (i) a planning reserve margin established by their applicable regulatory authority, (ii) local capacity area resource requirements, and (iii) flexible resource adequacy capacity requirements, as established by the CAISO. Each of the Participants currently operates within the CAISO balancing authority area as Load Following Metered Subsystem Entities and are signatories to the MSS Agreement. Pursuant to the CAISO Tariff Load Following Metered Subsystem Entities are required to provide to the CAISO a resource adequacy plan and to comply with local capacity area resource requirements and flexible resource adequacy capacity requirements established by the CAISO.

The right to establish certain requirements set forth in the CAISO Tariff has been delegated to the Participant's applicable regulatory authority. As a result, the NCPA Capacity Pool participants have been granted the right to establish the following provisions which are utilized within the overall compliance program:

(i) planning reserve margin; and

(ii) rule and criteria for calculating Qualifying Capacity and eligible resource types

The NCPA Capacity Pool allows Participants to aggregate capacity resources to comply with capacity reserve requirements, and to establish a mechanism to transfer surplus capacity among the NCPA Capacity Pool participants, as required. As further described below, there are rules and criteria for participating in the NCPA Capacity Pool, and rules and criteria used to coordinate the transfer of capacity between participants in the NCPA Capacity Pool.

Section 2. General Rules and Criteria for Participating in the NCPA Capacity Pool.

2.1 Participation. Participation in the NCPA Capacity Pool is voluntary. In order to participate in the NCPA Capacity Pool during the applicable compliance period, a Participant must inform NCPA, in writing, of its election to participate in the NCPA Capacity Pool two (2) weeks after the later of the:

(i) August Commission meeting;

(ii) date on which the capacity prices for system and local area capacity are developed and approved by the Commission; or

(iii) date on which the CAISO and/or CEC publishes the final local area capacity requirements and monthly coincident peak demand determination information that will be used to calculate each Participant's capacity reserve obligation.

Such election must be made prior to the annual system and local area compliance deadline for the applicable compliance period. Additional elections as described in this Pooling Schedule 4 are also due to be submitted as part of the annual election to participate. Once a Participant has elected to participate in the NCPA Capacity Pool, the Participant must continue to participate in the NCPA Capacity Pool in accordance with Pooling Schedules 4 and 5 for a minimum of one (1) year before it may elect to withdraw from the NCPA Capacity Pool. Once a Participant has elected to participate in the NCPA Capacity Pool, the Participant will continue to be recognized as a NCPA Capacity Pool participant until a notice of withdrawal has been received by NCPA from the participant. If a participant elects to withdraw from the NCPA Capacity Pool, the notification of withdrawal must be made to NCPA, in writing, on the same date in which Participants are required to elect to participate in the NCPA Capacity Pool for the applicable compliance period. Once a Participant has withdrawn from the NCPA Capacity Pool the Participant may not elect to rejoin the NCPA Capacity Pool until the specified election date for the compliance year following the

compliance year from which it has withdrawn (i.e., minimum one (1) year withdrawal).

2.2 Delegation of Authority. NCPA Capacity Pool participants are required to comply with common rules and criteria unless a participant identifies within its election to participate its choice to limit the type of resources that are eligible to be recognized as qualifying capacity in accordance with Pooling Schedule 5. In such case, the participant choosing not to include an identified resource type within its compliance demonstration will be unable to transfer such capacity within the NCPA Capacity Pool in accordance with Pooling Schedule 4. Other than any elected exception, the common rules and criteria are documented within the NCPA Capacity Pool Resource Adequacy Program contained in Pooling Schedule 5. Included within the NCPA Capacity Pool Resource Adequacy Program are common standards including the development of a planning reserve margin and rules and criteria used to calculate resource adequacy qualifying capacity. By electing to become a participant in the NCPA Capacity Pool, and by executing this Agreement, a Participant, and its applicable regulatory authority, are therefore delegating the authority granted to it, as stated in the CAISO tariff, to establish an applicable planning reserve margin and to develop a common set of rules and criteria used to calculate resource adequacy qualifying capacity to the Commission.

2.3 Establishment of Common Rules and Criteria for Compliance.

Each of the NCPA Capacity Pool participants shall comply with the common rules and criteria contained in the NCPA Capacity Pool Resource Adequacy Program documented within Pooling Schedule 5 unless a participant chooses to elect to limit the type of resources that are eligible to be counted as qualifying capacity. For example, a participant may elect not to include Firm Energy Contracts as qualifying capacity within its compliance demonstration. Such election will be incorporated into the capacity transfer process. The NCPA Capacity Pool Resource Adequacy Program establishes the following categories of common rules and criteria:

(i) compliance demonstration;

(ii) demand forecast determination;

(iii) planning reserve margin;

(iv) CAISO authority to dispatch NCPA generation facilities;

(v) resource adequacy qualifying capacity rules and criteria; and

(vi) compliance and enforcement.

2.4 System, Local Area Capacity Resource and Flexible Demonstrations. NCPA, acting as Scheduling Coordinator, on behalf of the NCPA Capacity Pool participants, is required to submit an annual and monthly system and flexible resource adequacy capacity demonstration and an annual

local area capacity demonstration to the CAISO. These demonstrations will be made according to the schedule and format specified within the NCPA Capacity Pool Resource Adequacy Program. NCPA will evaluate each individual NCPA Capacity Pool participant's portfolio to determine if that participant maintains an amount of capacity that is either surplus or deficient relative to its system, flexible and/or local area capacity reserve requirements. All capacity transactions with Third Parties and/or among Participants not executed pursuant to Pooling Schedule 4 will also be included in this evaluation. The results of this evaluation will be used by NCPA for the purpose of calculating the transfer of surplus capacity within the NCPA Capacity Pool, as required. NCPA will submit aggregate system, flexible and local area capacity demonstrations, on behalf of the NCPA Capacity Pool participants and the non NCPA Capacity Pool Participants to the CAISO. Such demonstrations will include an amount of capacity that is equal to or less than each Participant's respective capacity reserve requirement, limited only by the amount of capacity maintained within a Participant's portfolio. This evaluation will be performed in accordance with Pooling Schedules 4 and 5. The aggregate system, flexible and local area capacity demonstrations will reflect all capacity transfers within the NCPA Capacity Pool made in accordance with this Pooling Schedule 4, for the applicable compliance period.

2.5 Transfer of Surplus Capacity. At the time a Participant is required to submit its election to participate in the NCPA Capacity Pool a Participant must include within its written election: (1) its choice to transfer only Type A capacity, or to transfer both Type A and Type B capacity, and (2) identify any qualifying capacity maintained within its portfolio that it chooses not to transfer in the NCPA Capacity Pool for all, or a portion of the applicable compliance year. Regardless of such election, a participant may continue use such capacity to satisfy its own compliance requirements.

2.6 Type A and Type B Election. Each participant is required to elect the type of capacity it will transfer in the NCPA Capacity Pool. Capacity transferred in the NCPA Capacity Pool is categorized as either Type A or Type B capacity. The following is a description of Type A and Type B capacity:

(i) Type A capacity is capacity recognized to be qualifying capacity pursuant to the rules and criteria identified in Pooling Schedule 5, but does not include qualifying capacity sourced from Firm Energy Contracts or Industry Standard Contracts with Damages Provisions; and

(ii) Type B capacity is capacity recognized to be qualifying capacity pursuant to the rules and criteria identified in Pooling Schedule 5, but only includes qualifying capacity sourced from Firm Energy Contracts or Industry Standard Contracts with Damages Provisions.

Type A capacity may include both system and/or local area capacity. Type B capacity includes only system capacity. Either system or local area capacity may qualify as flexible resource adequacy capacity, where such flexible attribute is defined in accordance with the CAISO Tariff. If a participant fails to make such election, the default election is to transfer both Type A and Type B capacity. Capacity that is maintained by a NCPA Capacity Pool participant that is surplus to that participant's system, flexible and/or local area capacity reserve requirements will be automatically transferred to any and all participants within the NCPA Capacity Pool that are deficient in meeting their respective system, flexible and/or local area capacity reserve requirement, in accordance with the Pooling Schedule 4. NCPA Capacity Pool participants who have elected only to transfer Type A capacity will only be allocated Type A capacity if they are determined to be deficient. NCPA Capacity Pool participants who have elected to transfer Type A and Type B capacity will be allocated both Type A and Type B capacity if they are determined to be deficient. NCPA Capacity Pool participants who have surplus Type A and/or Type B capacity may transfer surplus capacity to those deficient participants who have elected to transfer each respective capacity type. Such capacity will be allocated in accordance with this Pooling Schedule 4. Only a total amount of surplus capacity equal to or less than the total amount of deficiency within the aggregate NCPA Capacity Pool will be

transferred among participants. Any surplus capacity greater than the aggregate deficiency within the NCPA Capacity Pool will not be transferred among the NCPA Capacity Pool participants as part of the NCPA Capacity Pool. The process for transferring surplus capacity within the NCPA Capacity Pool, and for developing the pricing of such transfer, is described in this Pooling Schedule 4.

Capacity that is transferred from a NCPA Capacity Pool participant to a Participant who has not elected to participate in the NCPA Capacity Pool, or to a Third Party, will be transacted pursuant to a separate agreement.

Section 3. **NCPA Capacity Pool Transfer Process.** One of the objectives of developing the NCPA Capacity Pool is to create a process in which capacity maintained by NCPA Capacity Pool participants that is surplus to their respective capacity reserve requirement can be transacted in an efficient manner. As stated in this Pooling Schedule 4, once a Participant has voluntarily elected to participate in the NCPA Capacity Pool, a Participant will be required to participate in the automatic capacity transfer process described below. Each NCPA Capacity Pool participant's capacity portfolio will be evaluated to determine if that participant is surplus and/or deficient in complying with the capacity reserve requirements established by its applicable regulatory authority. To the extent there are NCPA Capacity Pool participants who maintain capacity that is surplus to their respective capacity reserve requirements, and there are

NCPA Capacity Pool participants who are deficient in complying with their respective capacity reserve requirements, NCPA, through this Pooling Schedule and the All Resources Bill, will automatically transfer capacity among the surplus and deficient NCPA Capacity Pool participants, in accordance with each NCPA Capacity Pool participant's Type A and Type B capacity election. This capacity transfer process is described in this Pooling Schedule 4.

3.1 System, Flexible and Local Area Capacity Transfer Timing. System and local area capacity will be transferred in accordance with the schedule described in this Section of Pooling Schedule 4:

3.1.1 Local Area Capacity. Local area capacity will be transferred once annually. The local area capacity transfer will be executed five (5) business days prior to the date on which the local area capacity compliance demonstration is due to be submitted to the CAISO. This transfer process will be conducted prior to any system capacity transfers because local area capacity is equally effective at meeting both local area and system capacity requirements (e.g., both local area and system capacity are considered to be generic capacity).

3.1.2 System Capacity. System capacity will be transferred once annually, and once each month during the applicable compliance period.

(i) The annual system capacity transfer will be executed five (5) business days prior to the date on which the applicable annual system capacity

compliance demonstration is due to be submitted to the CAISO. This transfer process will be executed after any local area capacity transfers are conducted. Pooling Schedule 5 describes the annual system capacity reserve requirement and demonstration process, in which participants will demonstrate an amount of qualifying capacity that is equal to or greater than ninety percent (90%) of their respective monthly coincident peak demand determination plus the monthly planning reserve margin, established in Pooling Schedule 5, for each or any of the five summer months, May through September. Unless otherwise elected by a participant, only to the extent that a participant's system capacity position is greater than one-hundred percent (100%) of their respective monthly coincident peak demand determination plus the monthly planning reserve margin for each or any of the five summer months, established in Pooling Schedule 5, will either Type A and/or Type B system capacity be transferred from a surplus participant to a deficient participant through the NCPA Capacity Pool capacity transfer process.

If a participant provides notice to NCPA, in writing, as part of its election to participate within the NCPA Capacity Pool for the applicable compliance period, that it would like to transfer Type A and/or Type B system capacity that is maintained within its capacity portfolio that is in excess of its ninety percent (90%) annual system capacity requirement for each or any of the

five summer months, as specified in Pooling Schedule 5, then NCPA will transfer any Type A and/or Type B capacity that is greater than a participant's annual system requirement to deficient participants, in accordance with their Type A and Type B election status.

(ii) System capacity will be transferred once monthly, among participants who have elected to transfer Type A and/or Type B capacity, approximately five (5) business days prior to the date on which the applicable compliance demonstration is due to be submitted to the CAISO. Pooling Schedule 5 describes the monthly system capacity reserve requirement and demonstration process, in which participants will demonstrate a quantity of qualifying capacity that is equal to or less than one-hundred percent (100%) of their respective monthly coincident peak demand determination plus the monthly planning reserve margin, established in Pooling Schedule 5, for the applicable compliance period.

3.1.3 Flexible Resource Adequacy Capacity. Flexible resource adequacy capacity will be transferred once annually. The flexible resource adequacy capacity transfer will be executed five (5) business days prior to the date on which the flexible resource adequacy capacity compliance demonstration is due to be submitted to the CAISO. Flexible resource adequacy capacity will be transferred after the annual system capacity and local area capacity transfers

have been completed, to determine what amount of flexible resource adequacy capacity is available to be transferred, as an attribute, that may be bundled or unbundled with a system or local area capacity transfer, as further set forth in this Pooling Schedule 4. Only to the extent that a participant's flexible capacity surplus is greater than one-hundred percent (100%) of its respective flexible resource adequacy requirement for the applicable compliance period, flexible capacity shall be transferred from a surplus participant to a deficient participant through the NCPA Capacity Pool capacity transfer process.

3.2 System, Flexible and Local Area Capacity Transfer Billing Process. Amounts to be paid or charged resulting from the transfer of system, flexible and/or local area capacity among NCPA Capacity Pool participants, pursuant to this Pooling Schedule 4, for the applicable compliance year will be included within the All Resources Bill. The total amount of funds transacted in the annual transfer of system, flexible and local area capacity within the NCPA Capacity Pool will be paid to or charged to the appropriate participants within the All Resources Bill in twelve (12) equal monthly payments over the duration of the applicable compliance year. The total amount of funds transacted in the monthly transfer of system capacity within the NCPA Capacity Pool will be paid to or charged to the appropriate participants within the All Resources Bill the month following the transfer of capacity.

3.3 Development of Capacity Balance for Capacity Transfer Process and Compliance Demonstrations. For each applicable capacity transfer and compliance period, NCPA will develop a capacity balance for each of the NCPA Capacity Pool participants. When developing the capacity balance for each applicable compliance period, NCPA will exclude the portion of system, flexible and/or local area capacity sourced from a resource that is scheduled to be unavailable due to a planned maintenance outage, when the scheduled planned maintenance outage persists for a period greater than 10 days during a calendar month. An updated capacity balance will be distributed to the NCPA Capacity Pool participants congruent with the submission of each resource adequacy demonstration to the CAISO (including both annual and monthly submissions developed and provided in accordance with Pooling Schedule 5). Each NCPA Capacity Pool participant is responsible for reviewing the current capacity balance distributed by NCPA to ensure all capacity that is maintained by the participant is accounted for and reflected accurately in the capacity balance. If a NCPA Capacity Pool participant identifies a discrepancy in the current capacity balance distributed by NCPA, the participant must contact NCPA to inform NCPA of the discrepancy. If it is determined that a correction to the current capacity balance is required, NCPA will update and redistribute the capacity balance accordingly. If NCPA has not received notice of a correction at least five

(5) days prior to the next applicable capacity transfer deadline, or resource adequacy demonstration filing deadline, the capacity balance will be deemed accurate and will be made final, and will be used for the next applicable capacity transfer process and/or resource adequacy demonstration.

3.4 Evaluation of Surplus/Deficient System and Local Area Capacity Positions for Capacity Transfer Process. Once the applicable capacity balance developed by NCPA has been deemed final, NCPA will evaluate each NCPA Capacity Pool participant's resulting system, flexible and/or local area capacity balance, to determine if it maintains an amount of system, flexible and/or local area capacity that is surplus to their needs, or if it does not maintains an amount of system, flexible and/or local area capacity to meet its requirement, therefore being deficient for the applicable compliance period.

This analysis will separately account for each type of capacity that qualifies as Type A or Type B capacity. Type A and Type B capacity will be used in the following manner to satisfy a participant's capacity reserve requirement:

(i) A participant's Type A capacity will be used first to meet its system and/or local area capacity reserve requirement;

(ii) If a participant's total amount of Type A local area capacity is equal to or less than its local area capacity reserve requirement, then the total

amount of the participant's Type A local area capacity will be used to satisfy its capacity reserve requirements;

(iii) If a participant's total amount of Type A local area capacity is greater than its local area capacity reserve requirement, then the amount of Type A local area capacity that is surplus to its need will be treated as surplus local area capacity that is available for transfer unless the following conditions apply[1]:

(a) if a participant's total amount of Type A and Type B system capacity is less than its system capacity reserve requirement not met with Type A local area capacity, and there is insufficient surplus system capacity available for transfer from the NCPA Capacity Pool to fulfill its system capacity reserve requirement, an amount of the participant's surplus local area capacity will be used to meet its remaining system capacity reserve requirement; or

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[1] The objective of step 3 is to provide a participant who maintains surplus local area capacity, but who is deficient in meeting its system capacity reserve requirement, the ability to simultaneously sell local area capacity and buy system capacity to maximize the amount of surplus local area capacity available for transfer within the NCPA Capacity Pool. Only to the extent that there is insufficient system capacity available for transfer from the NCPA Capacity Pool to meet the participant's system capacity reserve deficiency, or if the total amount of the participant's surplus local area capacity cannot be transferred within the NCPA Capacity Pool, will a quantity of that participant's surplus local area capacity be used to meet its system capacity reserve requirements above the amount used to meet its local area capacity reserve requirement.

(b) if a participant's total amount of Type A and Type B system capacity is less than its system capacity reserve requirement not met with Type A local area capacity, and the total amount of the participant's surplus local area capacity cannot be transferred to other participants within the NCPA Capacity Pool, an amount of the participant's surplus local area capacity which cannot be transferred to other participants within the NCPA Capacity Pool will be used to meet a portion or all of its remaining system capacity reserve requirement.

(iv) If a participant's total amount of Type A system capacity is equal to or less than its system capacity reserve requirement not met with Type A local area capacity, then the total amount of the participant's Type A system capacity will be used to satisfy its capacity reserve requirement;

(v) If a participant's total amount of Type A system capacity is greater than its system capacity reserve requirement not met with local area capacity, then the amount of Type A system capacity that is surplus to its total needs will be treated as surplus system capacity that is available for transfer; and

(vi) If a participant's total amount of Type A capacity is less than its system capacity reserve requirement then an amount of Type B capacity equal to or less than its remaining system capacity reserve requirement, that has not been met with Type A local area capacity and Type A system capacity, will be used to

meet its need, otherwise any amount of Type B capacity that is greater than its remaining system capacity reserve requirement will be treated as surplus system capacity that is available for transfer.

NCPA will evaluate the capacity balance of each participant to determine if any NCPA Capacity Pool participants are deficient in meeting their applicable system and/or local area capacity reserve requirements. If a single or a collection of NCPA Capacity Pool participants are deficient in meeting their applicable system and/or local area capacity reserve requirements, NCPA will calculate the total amount of system and/or local area deficiency within the NCPA Capacity Pool. Once any deficiency has been confirmed, NCPA will determine if any NCPA Capacity Pool participants maintain surplus system and/or local area capacity within the NCPA Capacity Pool that could either partially or fully offset the identified deficiency. Such surplus capacity will be distinctly accounted for as Type A local area capacity, Type A system capacity or Type B system capacity. If the total amount of surplus system and/or local area capacity within the NCPA Capacity Pool is equal to or less than the total system and/or local area deficiency, all surplus system and/or local area capacity will be transferred between the surplus and deficient NCPA Capacity Pool participants limited only by each participant's election to transfer Type A and/or Type B capacity. If the total amount of surplus system and/or local area capacity within the NCPA

Capacity Pool is greater than the total system and/or local area deficiency, only an amount of surplus system and/or local area capacity equal to the total system and/or local area capacity deficiency will be transferred within the NCPA Capacity Pool, limited by each participant's election to transfer Type A and/or Type B capacity.

3.4.1 Evaluation of Surplus/Deficient Flexible Capacity Positions for Capacity Transfer Process. This analysis will account for flexible resource adequacy capacity that qualifies to be used in the following manner, to satisfy a participant's flexible capacity reserve requirement:

(i) A participant's flexible resource adequacy capacity will first be used to meet its flexible resource adequacy capacity requirement;

(ii) Flexible resource adequacy capacity will be transferred as an attribute, either bundled or unbundled with a system and/or local area capacity transfer;

(iii) If a participant's total amount of flexible capacity is equal to or less than its flexible capacity reserve requirement, then the total amount of the participant's flexible capacity will be used to satisfy its capacity reserve requirements;

(iv) If the amount of flexible resource adequacy capacity maintained by a participant is greater than its flexible resource adequacy

requirement, then the amount of surplus flexible resource adequacy capacity maintained by a participant will be available for transfer, provided, however, the following condition is met:

(a) Only flexible resource adequacy capacity attributes that are sourced from resources that have been committed as generic resource adequacy capacity (system and/or local area capacity) are available for transfer in the NCPA Capacity Pool. For the purpose of clarity, this constraint has been established to ensure generic resource adequacy capacity, with a flexible resource adequacy capacity attribute that has not otherwise been committed as resource adequacy capacity, and is not unbundled as a result of a flexible resource adequacy capacity transfer in the NCPA Capacity Pool.

3.5 NCPA Capacity Pool Transfer. System, flexible and local area capacity transfers will be processed using the transfer process as described below:

3.5.1 System and Local Area Capacity Pool Transfers. Surplus Type A system and/or local area capacity will be transferred among participants prior to Type B system capacity. Local area capacity transfers will be identified and completed using the capacity transfer process prior to system capacity transfers. System capacity transfers will be identified and completed using the capacity transfer process only after the initial local area capacity transfers have

been completed. If a NCPA Capacity Pool participant(s) has been found to be deficient in meeting a system and/or local area compliance requirement, and an amount of surplus system and/or local area capacity has been identified to be available for transfer, then NCPA, acting as NCPA Capacity Pool administrator, will transfer the identified surplus system and/or local area capacity to the NCPA Capacity Pool participant(s) that are deficient in meeting a capacity reserve requirement. The amount of surplus system and/or local area capacity that will be transferred between surplus and deficient participants will be equal to or less than the amount of deficiency identified and limited only by each deficient participant's capacity type election. Any surplus system and/or local area capacity in excess of the total identified system and/or local area deficiencies will not be transferred within the NCPA Capacity Pool. The following steps will be used to transfer surplus system and/or local area capacity within the NCPA Capacity Pool:

(i) Using the final capacity balance developed by NCPA, NCPA will identify the quantity of capacity deficiency for each NCPA Capacity Pool participant who has been found to be deficient in meeting its applicable capacity reserve requirement;

(ii) Using the information developed in this Pooling Schedule 4, NCPA will identify the quantity of capacity that is surplus to each NCPA

Capacity Pool participant's need, by category (i.e., Type A local area capacity, Type A system capacity or Type B system capacity), which is available for transfer;

(iii) NCPA will calculate the total quantity of surplus capacity available for transfer, by category (i.e., Type A local area capacity, Type A system capacity or Type B system capacity), within the NCPA Capacity Pool;

(iv) NCPA will calculate each surplus participant's proportionate share of the total NCPA Capacity Pool surplus by category (i.e., Type A local area capacity, Type A system capacity or Type B system capacity), which is available for transfer;

(v) A quantity of surplus capacity equal to the lesser of one (1) MW or the deficient participant's calculated deficiency, will be allocated to the deficient participant based on its respective capacity type election, but such amount shall not exceed a deficient participant's total deficiency;

(vi) If after step (v) of the transfer process an amount of surplus capacity remains available, a quantity of surplus capacity equal to or less than the remaining total amount of NCPA Capacity Pool participants' deficiency will be allocated, by capacity type, to the deficient participants based on their proportionate share of the remaining NCPA Capacity Pool participants'

deficiency. A participant will only be allocated the capacity type(s) it has elected to transfer;

(vii) The total amount paid for the quantity of surplus capacity transferred to deficient participants will be allocated to the surplus participants based on their proportionate share of the total NCPA Capacity Pool surplus by category (i.e., Type A local area capacity, Type A system capacity or Type B system capacity).

The results of the transfers processed will be accounted for in an updated capacity balance, and included in any applicable capacity demonstration for the term of the transfer.

3.5.2 Flexible Capacity Pool Transfers. Surplus flexible resource adequacy capacity will be transferred among surplus and deficient participants. The following steps will be used to transfer surplus flexible resource adequacy capacity within the NCPA Capacity Pool:

(i) Using the final capacity balance developed by NCPA, NCPA will identify the quantity of flexible resource adequacy capacity deficiency for each NCPA Capacity Pool participant who has been found to be deficient in meeting its applicable requirement;

(ii) Using the information developed in this Pooling Schedule 4, NCPA will identify the quantity of surplus flexible resource adequacy capacity that is available for transfer for each NCPA Capacity Pool participant;

(iii) NCPA will calculate the total quantity of surplus flexible resource adequacy capacity available for transfer within the NCPA Capacity Pool;

(iv) NCPA will calculate each participant's proportionate surplus share of the total NCPA Capacity Pool surplus available for transfer;

(v) A quantity of surplus flexible resource adequacy capacity equal to the lesser of one (1) MW or the deficient participant's calculated deficiency, will be allocated to the deficient participant, but such amount shall not exceed a deficient participant's total deficiency;

(vi) If after step (v) of the transfer process an amount of surplus flexible resource adequacy capacity remains available, a quantity of surplus flexible resource adequacy capacity equal to or less than the remaining total amount of NCPA Capacity Pool participants' deficiency will be allocated to the deficient participants based on their proportionate share of the remaining NCPA Capacity Pool participants' deficiency;

(vii) The total amount paid for the quantity of surplus flexible resource capacity transferred to deficient participants will be allocated to the

surplus participants based on their proportionate share of the total NCPA Capacity Pool surplus.

The results of the transfers processed will be accounted for in an updated capacity balance, and included in any applicable capacity demonstration for the term of the transfer.

3.6 Assignment of Charges or Penalties for Disqualified System, Flexible and Local Area Capacity. Once system, flexible and local area capacity demonstrations are submitted to the CAISO, the CAISO will evaluate the demonstration to determine if it is in compliance with the applicable requirements. Pursuant to the CAISO Tariff, CAISO will review such demonstrations and will identify if such satisfies a participant's compliance requirement. Pursuant to this review, if the CAISO disqualifies an amount of capacity that is maintained within a NCPA Capacity Pool participant's portfolio, CAISO will provide notice to the participant's Scheduling Coordinator that such capacity has been disqualified. At such time the disqualified capacity may be replaced by the participant in accordance with the rules and timelines set forth in the CAISO Tariff. If NCPA, acting as Scheduling Coordinator on behalf of the participants, receives notice from the CAISO that it has disqualified an amount of capacity that is maintained within a NCPA Capacity Pool participant's portfolio, NCPA will promptly notify those participants impacted by such notice. If as a

result of CAISO's disqualification of such capacity NCPA incurs a penalty or charge from the CAISO, the penalty or charge incurred by NCPA will be allocated to the Participant(s) that maintained such capacity within its portfolio prior to any system and/or local area capacity transfers. This allocation methodology will ensure that any capacity that is transferred within the NCPA Capacity Pool transfer process that is disqualified by the CAISO, and which results in the assessment of charges or penalties, will not result in harm to the procuring party, but instead provides an incentive to the selling party to provide fully qualified capacity to the NCPA Capacity Pool.

3.7 Assignment of Non-Availability Charges and Availability Incentive Payments. Once system, flexible and/or local area capacity demonstrations are submitted to the CAISO, the CAISO will measure the performance of such capacity in accordance with the provisions of the CAISO Tariff. Pursuant to this review, if the CAISO determines that such capacity has failed to perform in accordance with the provisions of the CAISO Tariff resulting in non-availability charges being assessed to NCPA, or if the CAISO determines that such capacity has exceeded the performance standards in accordance with the provisions of the CAISO tariff resulting in the credit of availability incentive payments to NCPA, such charges and/or incentive payments will be allocated to Participant(s) that maintained such capacity within its portfolio prior to any system, flexible and/or

local area capacity transfers. This allocation methodology will ensure that any capacity that is transferred within the NCPA Capacity Pool transfer process that either does not perform in accordance with the CAISO Tariff, or that exceeds the performance standards in accordance with the provisions of the CAISO Tariff, will not harm or provide an availability benefit to the procuring party, but instead will provide an incentive to the selling party to offer capacity that meets or exceeds the CAISO availability requirements contained within the CAISO tariff to the NCPA Capacity Pool transfer process.

3.8 Development of Capacity Transfer Pricing. All Capacity transferred between participants within the NCPA Capacity Pool will be priced in accordance with the provisions found within this section. Capacity pricing for flexible, system and local area capacity will be developed for use by the NCPA Capacity Pool participants, and will not be effective for other non NCPA Capacity Pool capacity transfers that NCPA may administer. Capacity pricing for system, flexible and local area capacity will be developed annually, and will be established pursuant to Commission adoption and approval that will take place at the Commission meeting held at the earliest in August and no later than October. If capacity prices for system, flexible and local area capacity are not adopted and approved by the Commission at the Commission meeting held in August, capacity prices for system, flexible and local area capacity will be

adopted and approved by the Commission during the next available Commission meeting.

3.8.1 System, Flexible and Local Area Capacity Pricing Alternatives. The following alternatives or methodologies, or a combination of such, may be utilized to develop system, flexible and local area capacity prices that will be used within the NCPA Capacity Pool transfer process:

(i) negotiated price;

(ii) market price survey, formal or informal request for proposal; of

(iii) CAISO backstop procurement proxy value of capacity.

An ad hoc group of NCPA Capacity Pool participants will be organized to develop and propose a system, flexible and local area capacity price to the Commission for adoption and approval, in a timeframe consistent with the approval process described in this Pooling Schedule 4. If the established ad hoc group of NCPA Capacity Pool participants is unable to collectively develop and propose a system, flexible and local area capacity price to the Commission for adoption and approval, in a timeframe consistent with the approval process described in this Pooling Schedule 4, a default price will be established for flexible, system and local area capacity as described in this Pooling Schedule 4.

3.8.2 Default System, Flexible and Local Area Capacity Price. In the event an established ad hoc group of NCPA Capacity Pool participants is

unable to collectively develop and propose a system, flexible and/or local area capacity price to the Commission for adoption and approval, in a timeframe consistent with the approval process described in this Pooling Schedule 4, the following default pricing methodologies will be used to derive prices that will be used within the NCPA Capacity Pool transfer process:

(i) The system capacity price that will be used for capacity transfers within the NCPA Capacity Pool will be equal to the CAISO proxy value of capacity, established within the CAISO Tariff, for backstop procurement; the system capacity price, expressed as a formula, is: System Capacity Price ($/kW-year) = CAISO Proxy Value of Backstop Capacity;

(ii) The local area capacity price that will be used for capacity transfers within the NCPA Capacity Pool will be equal to the CAISO proxy value of capacity, established within the CAISO Tariff, for backstop procurement, expressed as a formula: Local Capacity Price ($/kW-year) = CAISO Proxy Value of Backstop Capacity; and

(iii) The flexible resource area capacity price that will be used for capacity transfers within the NCPA Capacity Pool will be equal to $0.50/kW-month.

3.9 Resource Adequacy Substitution. Pursuant to the CAISO Tariff, after the date a resource has been designated to the CAISO as resource adequacy

capacity, if a resource subsequently becomes unavailable due to an outage, the CAISO may require the supplier of such capacity to provide an alternate or substitute resource to replace such unavailable capacity. To the extent a NCPA Capacity Pool participant becomes subject to this substitution requirement for any reason, the NCPA Capacity Pool participant may procure any available substitute capacity through the NCPA Capacity Pool, as further described in this Section 3.9.

3.9.1 Subsequent to the completion of the annual and monthly NCPA Capacity Pool transfer process described herein, if an amount of surplus capacity remains available, such available surplus capacity will be made available for sale as substitute capacity. Substitute capacity may be transacted in the NCPA Capacity Pool for a minimum term of one day, and a maximum term of one calendar month.

3.9.2 Upon a participant's receipt of notice from the CAISO of its obligation to supply substitute capacity, NCPA will evaluate the notice and shall determine if sufficient eligible capacity is available for transfer. If such is true, NCPA will process a transfer of substitute capacity according.

3.9.3 The process used for completing transfers of substitute capacity will be conducted in a manner that is consistent with the transfer methodology described in Section 3.5.

3.9.4 All substitute capacity transfers processed in the NCPA Capacity Pool shall be compensated based on the rate established for the applicable capacity product, as set forth in Section 3.8, where the applicable capacity rate shall be adjusted to reflect the number of days the transfer is made (e.g., $/kW-day).

3.9.5 Settlement of all substitute capacity transfers will be process through the All Resources Bill.

POOLING SCHEDULE 4

NCPA CAPACITY POOL

Section 1. **NCPA Capacity Pool.** Pursuant to Section 5.2 of this Agreement, each Participant is required to comply with capacity reserve requirements established by its applicable regulatory authority. Each Participant may comply with such requirements by either participating in the NCPA Capacity Pool or by providing a compliance demonstration pursuant to the rules and criteria established by its applicable regulatory authority. This Pooling Schedule 4 establishes the rules and criteria for participating in the NCPA Capacity Pool, and includes the NCPA Capacity Pool Capacity Transfer Process.

The NCPA Capacity Pool participants recognize that to achieve a high degree of reliability in the electric service supplied to their customers, an amount of resources sufficient to meet both the immediate loads of their customers and to also permit maintenance, to provide for planning and forced generation outages, and to account for load forecast errors is required. In order to achieve a high degree of reliability in the electric service supplied to their customers, the NCPA Capacity Pool participants have elected to develop a common set of mandatory standards and criteria against which Participants that elect to participate in the NCPA Capacity Pool will be measured to determine if

Participants have acquired sufficient capacity to maintain the desired high degree of reliability.

The CAISO Tariff contains provisions requiring all load serving entities that have a peak demand exceeding one (1) MW, and that serve demand within the CAISO balancing authority area, to demonstrate that they have acquired sufficient capacity to meet ~~both~~(i) a planning reserve margin established by their applicable regulatory authority, ~~and~~(ii) local capacity area resource requirements, and (iii) flexible resource adequacy capacity requirements, as established by the CAISO. Each of the Participants currently operates within the CAISO balancing authority area as Load Following Metered Subsystem Entities and are signatories to the MSS Agreement. Pursuant to the CAISO Tariff Load Following Metered Subsystem Entities are required to provide to the CAISO a resource adequacy plan and to comply with local capacity area resource requirements and flexible resource adequacy capacity requirements established by the CAISO.

The right to establish certain requirements set forth in the CAISO Tariff has been delegated to the Participant's applicable regulatory authority. As a result, the NCPA Capacity Pool participants have been granted the right to establish the following provisions which are utilized within the overall compliance program:

(i) planning reserve margin; and

(ii) rule and criteria for calculating Qualifying Capacity and eligible resource types

The NCPA Capacity Pool allows Participants to aggregate capacity resources to comply with capacity reserve requirements, and to establish a mechanism to transfer surplus capacity among the NCPA Capacity Pool participants, as required. As further described below, there are rules and criteria for participating in the NCPA Capacity Pool, and rules and criteria used to coordinate the transfer of capacity between participants in the NCPA Capacity Pool.

Section 2. General Rules and Criteria for Participating in the NCPA Capacity Pool.

2.1 Participation. Participation in the NCPA Capacity Pool is voluntary. In order to participate in the NCPA Capacity Pool during the applicable compliance period, a Participant must inform NCPA, in writing, of its election to participate in the NCPA Capacity Pool two (2) weeks after the later of the:

(i) ~~July~~August Commission meeting;

(ii) date on which the capacity prices for system and local area capacity are developed and approved by the Commission; or

(iii) date on which the CAISO and/or CEC publishes the final local area capacity requirements and monthly coincident peak demand determination information that will be used to calculate each Participant's capacity reserve obligation.

Such election must be made prior to the annual system and local area compliance deadline for the applicable compliance period. Additional elections as described in this Pooling Schedule 4 are also due to be submitted as part of the annual election to participate. Once a Participant has elected to participate in the NCPA Capacity Pool, the Participant must continue to participate in the NCPA Capacity Pool in accordance with Pooling Schedules 4 and 5 for a minimum of one (1) year before it may elect to withdraw from the NCPA Capacity Pool. Once a Participant has elected to participate in the NCPA Capacity Pool, the Participant will continue to be recognized as a NCPA Capacity Pool participant until a notice of withdrawal has been received by NCPA from the participant. If a participant elects to withdraw from the NCPA Capacity Pool, the notification of withdrawal must be made to NCPA, in writing, on the same date in which Participants are required to elect to participate in the NCPA Capacity Pool for the applicable compliance period. Once a Participant has withdrawn from the NCPA Capacity Pool the Participant may not elect to rejoin the NCPA Capacity Pool until the specified election date for the compliance year following the

compliance year from which it has withdrawn (i.e., minimum one (1) year withdrawal).

2.2 Delegation of Authority. NCPA Capacity Pool participants are required to comply with common rules and criteria unless a participant identifies within its election to participate its choice to limit the type of resources that are eligible to be recognized as qualifying capacity in accordance with Pooling Schedule 5. In such case, the participant choosing not to include an identified resource type within its compliance demonstration will be unable to transfer such capacity within the NCPA Capacity Pool in accordance with Pooling Schedule 4. Other than any elected exception, the common rules and criteria are documented within the NCPA Capacity Pool Resource Adequacy Program contained in Pooling Schedule 5. Included within the NCPA Capacity Pool Resource Adequacy Program are common standards including the development of a planning reserve margin and rules and criteria used to calculate resource adequacy qualifying capacity. By electing to become a participant in the NCPA Capacity Pool, and by executing this Agreement, a Participant, and its applicable regulatory authority, are therefore delegating the authority granted to it, as stated in the CAISO tariff, to establish an applicable planning reserve margin and to develop a common set of rules and criteria used to calculate resource adequacy qualifying capacity to the Commission.

2.3 Establishment of Common Rules and Criteria for Compliance.

Each of the NCPA Capacity Pool participants shall comply with the common rules and criteria contained in the NCPA Capacity Pool Resource Adequacy Program documented within Pooling Schedule 5 unless a participant chooses to elect to limit the type of resources that are eligible to be counted as qualifying capacity. For example, a participant may elect not to include Firm Energy Contracts as qualifying capacity within its compliance demonstration. Such election will be incorporated into the capacity transfer process. The NCPA Capacity Pool Resource Adequacy Program establishes the following categories of common rules and criteria:

(i) compliance demonstration;

(ii) demand forecast determination;

(iii) planning reserve margin;

(iv) CAISO authority to dispatch NCPA generation facilities;

(v) resource adequacy qualifying capacity rules and criteria; and

(vi) compliance and enforcement.

2.4 System ~~and~~ Local Area Capacity Resource and Flexible Demonstrations. NCPA, acting as Scheduling Coordinator, on behalf of the NCPA Capacity Pool participants, is required to submit an annual and monthly system and flexible resource adequacy capacity demonstration and an annual

local area capacity demonstration to the CAISO. These demonstrations will be made according to the schedule and format specified within the NCPA Capacity Pool Resource Adequacy Program. NCPA will evaluate each individual NCPA Capacity Pool participant's portfolio to determine if that participant maintains an amount of capacity that is either surplus or deficient relative to its system, flexible and/or local area capacity reserve requirements. All capacity transactions with Third Parties and/or among Participants not executed pursuant to Pooling Schedule 4 will also be included in this evaluation. The results of this evaluation will be used by NCPA for the purpose of calculating the transfer of surplus capacity within the NCPA Capacity Pool, as required. NCPA will submit ~~an~~ aggregate system, flexible and local area capacity ~~demonstration~~demonstrations, on behalf of the NCPA Capacity Pool participants and the non NCPA Capacity Pool Participants to the CAISO. Such demonstrations will include an amount of capacity that is equal to or less than each Participant's respective capacity reserve requirement, limited only by the amount of capacity maintained within a Participant's portfolio ~~(i.e., only if a Participant maintains an amount of capacity that is less than their capacity reserve requirement will an amount of capacity less than the Participant's requirement be included within the aggregate demonstrations).~~ This evaluation will be performed in accordance with Pooling Schedules 4 and 5. The aggregate

system, flexible and local area capacity demonstrations will reflect all capacity transfers within the NCPA Capacity Pool made in accordance with this Pooling Schedule 4, for the applicable compliance period.

2.5 Transfer of Surplus Capacity. At the time a Participant is required to submit its election to participate in the NCPA Capacity Pool a Participant must include within its written election: (1) its choice to transfer only Type A capacity, or to transfer both Type A and Type B capacity, ~~(2) its election to participate in the NCPA Capacity Pool as a Primary participant or a Secondary participant, and (3~~and (2) identify any qualifying capacity maintained within its portfolio that it chooses not to transfer in the NCPA Capacity Pool for all, or a portion of the applicable compliance year. ~~For example, at the time a new resource is under construction, and an exact commercial operational date for such resource has not been confirmed, a participant may choose not to transfer capacity sourced from such resource in the NCPA Capacity Pool to mitigate its risk of replacement, as described under this Pooling Schedule 4, that could result if the actual resource commercial operational date is delayed. Regardless of such election~~Regardless of such election, a participant may continue use such capacity to satisfy its own compliance requirements.

2.6 Type A and Type B Election. Each participant is required to elect the type of capacity it will transfer in the NCPA Capacity Pool. Capacity

transferred in the NCPA Capacity Pool is categorized as either Type A or Type B capacity. The following is a description of Type A and Type B capacity:

(i) Type A capacity is capacity recognized to be qualifying capacity pursuant to the rules and criteria identified in Pooling Schedule 5, but does not include qualifying capacity sourced from Firm Energy Contracts or Industry Standard Contracts with Damages Provisions; and

(ii) Type B capacity is capacity recognized to be qualifying capacity pursuant to the rules and criteria identified in Pooling Schedule 5, but only includes qualifying capacity sourced from Firm Energy Contracts or Industry Standard Contracts with Damages Provisions.

Type A capacity may include both system and/or local area capacity. Type B capacity includes only system capacity. Either system or local area capacity may qualify as flexible resource adequacy capacity, where such flexible attribute is defined in accordance with the CAISO Tariff. If a participant fails to make such election, the default election is to transfer both Type A and Type B capacity. Capacity that is maintained by a NCPA Capacity Pool participant that is surplus to that participant's system, flexible and/or local area capacity reserve ~~requirement~~requirements will be automatically transferred to any and all participants within the NCPA Capacity Pool that are deficient in meeting their respective system, flexible and/or local area capacity reserve requirement, in

accordance with the Pooling Schedule 4. NCPA Capacity Pool participants who have elected only to transfer Type A capacity will only be allocated Type A capacity if they are determined to be deficient. NCPA Capacity Pool participants who have elected to transfer Type A and Type B capacity will be allocated both Type A and Type B capacity if they are determined to be deficient. NCPA Capacity Pool participants who have surplus Type A and/or Type B capacity may transfer surplus capacity to those deficient participants who have elected to transfer each respective capacity type. Such capacity will be allocated in accordance with this Pooling Schedule 4. Only a total amount of surplus capacity equal to or less than the total amount of deficiency within the aggregate NCPA Capacity Pool will be transferred among participants. Any surplus capacity greater than the aggregate deficiency within the NCPA Capacity Pool will not be transferred among the NCPA Capacity Pool participants as part of the NCPA Capacity Pool. The process for transferring surplus capacity within the NCPA Capacity Pool, and for developing the pricing of such transfer, is described in this Pooling Schedule 4.

Capacity that is transferred from a NCPA Capacity Pool participant to a Participant who has not elected to participate in the NCPA Capacity Pool, or to a Third Party, will be transacted pursuant to a separate agreement.

2.1 Primary Participant and Secondary Participant Election. Each participant is required to elect to participate in the NCPA Capacity Pool as a Primary participant or a Secondary participant. If a participant fails to make such election the default election will be Primary participant. The following is a description of each type of NCPA Capacity Pool participant:

(i) a Primary participant is a participant who elects to transfer capacity in all months of the applicable compliance year in which the participant maintains either a surplus amount of capacity, or is deficient in satisfying its compliance requirements. Such participation will not be limited to a predefined set of months selected by the participant; and

(ii) a Secondary participant is a participant who chooses to transfer capacity only during those months that are preselected by the participant in which the participant maintains either a surplus amount of capacity, or is deficient in satisfying its compliance requirements. At the time NCPA Capacity Pool participant elections are due, a Secondary participant is required to identify the months during the applicable compliance period in which it will participate in the NCPA Capacity Pool.

Primary participants will be given priority regarding capacity transferred in the NCPA Capacity Pool. Secondary participants will only be eligible to transfer, or receive, capacity through the NCPA Capacity Pool once the

~~compliance requirements of all Primary participants have been satisfied. For example, if the amount of surplus capacity available to be transferred in the NCPA Capacity Pool, in any particular month, is less than or equal to the deficiency of all Primary participants, all Primary participants will be allocated such surplus capacity prior to any capacity being allocated to Secondary participants. Only to the extent that the amount of surplus capacity available to be transferred in the NCPA Capacity Pool, in any particular month, is greater than the deficiency of all Primary participants will such excess surplus capacity be transferred to Secondary participants who are deficient in satisfying their respective compliance requirements. Pooling Schedule 4 describes the transfer process that applies to Primary and Secondary participants.~~

Section 3. **NCPA Capacity Pool Transfer Process.** One of the objectives of developing the NCPA Capacity Pool is to create a process in which capacity maintained by NCPA Capacity Pool participants that is surplus to their respective capacity reserve requirement can be transacted in an efficient manner. As stated in this Pooling Schedule 4, once a Participant has voluntarily elected to participate in the NCPA Capacity Pool, a Participant will be required to participate in the automatic capacity transfer process described below. Each NCPA Capacity Pool participant's capacity portfolio will be evaluated to determine if that participant is surplus and/or deficient in complying with the

capacity reserve requirements established by its applicable regulatory authority. To the extent there are NCPA Capacity Pool participants who maintain capacity that is surplus to their respective capacity reserve requirements, and there are NCPA Capacity Pool participants who are deficient in complying with their respective capacity reserve requirements, NCPA, through this Pooling Schedule and the All Resources Bill, will automatically transfer capacity among the surplus and deficient NCPA Capacity Pool participants, in accordance with each NCPA Capacity Pool participant's Type A and Type B capacity election~~, and Primary or Secondary participation election.~~. This capacity transfer process is described in this Pooling Schedule 4.

3.1 System~~, Flexible~~ and Local Area Capacity Transfer Timing. System and local area capacity will be transferred in accordance with the schedule described in this Section of Pooling Schedule 4:

3.1.1 Local Area Capacity. Local area capacity will be transferred ~~twice~~once annually. The ~~first~~ local area capacity transfer will be executed five (5) business days ~~after the date on which Participants are required to submit an election to participate within the NCPA Capacity Pool, among participants who have elected to transfer Type A capacity, for the applicable compliance period. The second local area capacity transfer will be executed approximately five (5) business days~~ prior to the date on which the local area capacity compliance

demonstration is due to be submitted to the CAISO. This transfer process will be conducted prior to any system capacity transfers because local area capacity is equally effective at meeting both local area and system capacity requirements (e.g., both local area and system capacity are considered to be generic capacity).

3.1.2 System Capacity. System capacity will be transferred ~~twice~~once annually, and once each month during the applicable compliance period.

(i) The ~~first~~ annual system capacity transfer will be executed five (5) business days ~~after~~prior to the date on which ~~Participants are required to submit an election to participate within the NCPA Capacity Pool, among participants who have elected to transfer Type A and/or Type B capacity, for~~ the applicable ~~compliance period. The second~~ annual system capacity ~~transfer will be executed approximately five (5) business days prior to the date the applicable~~ compliance demonstration is due to be submitted to the CAISO. This transfer process will be executed after any local area capacity transfers are conducted. Pooling Schedule 5 describes the annual system capacity reserve requirement and demonstration process, in which participants will demonstrate an amount of qualifying capacity that is equal to or greater than ninety percent (90%) of their respective monthly coincident peak demand determination plus the monthly planning reserve margin, established in Pooling Schedule 5, for each or any of the five summer

months, May through September~~, of the applicable compliance period.~~. Unless otherwise elected by a participant, only to the extent that a participant's system capacity position is greater than one-hundred percent (100%) of their respective monthly coincident peak demand determination plus the monthly planning reserve margin for each or any of the five summer months, established in Pooling Schedule 5, ~~for the applicable compliance period,~~ will either Type A and/or Type B system capacity be transferred from a surplus participant to a deficient participant through the NCPA Capacity Pool capacity transfer process.

If a participant provides notice to NCPA, in writing, as part of its election to participate within the NCPA Capacity Pool for the applicable compliance period, that it would like to transfer Type A and/or Type B system capacity that is maintained within its capacity portfolio that is in excess of its ninety percent (90%) annual system capacity requirement for each or any of the five summer months, as specified in Pooling Schedule 5, then NCPA will transfer any Type A and/or Type B capacity that is greater than a participant's annual system requirement to deficient participants, in accordance with their Type A and Type B election status~~ for the duration of the applicable compliance period~~.

(ii) System capacity will be transferred once monthly, among participants who have elected to transfer Type A and/or Type B capacity, approximately five (5) business days prior to the date on which the applicable

compliance demonstration is due to be submitted to the CAISO. Pooling Schedule 5 describes the monthly system capacity reserve requirement and demonstration process, in which participants will demonstrate a quantity of qualifying capacity that is equal to or less than one-hundred percent (100%) of their respective monthly coincident peak demand determination plus the monthly planning reserve margin, established in Pooling Schedule 5, for the applicable compliance period.

3.1.3 Flexible Resource Adequacy Capacity. Flexible resource adequacy capacity will be transferred once annually. The flexible resource adequacy capacity transfer will be executed five (5) business days prior to the date on which the flexible resource adequacy capacity compliance demonstration is due to be submitted to the CAISO. Flexible resource adequacy capacity will be transferred after the annual system capacity and local area capacity transfers have been completed, to determine what amount of flexible resource adequacy capacity is available to be transferred, as an attribute, that may be bundled or unbundled with a system or local area capacity transfer, as further set forth in this Pooling Schedule 4. Only to the extent that a participant's flexible capacity surplus is greater than one-hundred percent (100%) of its respective flexible resource adequacy requirement for the applicable compliance period, flexible

capacity shall be transferred from a surplus participant to a deficient participant through the NCPA Capacity Pool capacity transfer process.

3.2 System, Flexible and Local Area Capacity Transfer Billing Process. Amounts to be paid or charged resulting from the transfer of system, flexible and/or local area capacity among NCPA Capacity Pool participants, pursuant to this Pooling Schedule 4, for the applicable compliance year will be included within the All Resources Bill. The total amount of funds transacted in the annual transfer of system, flexible and local area capacity within the NCPA Capacity Pool will be paid to or charged to the appropriate participants within the All Resources Bill in twelve (12) equal monthly payments over the duration of the applicable compliance year. The total amount of funds transacted in the monthly transfer of system capacity within the NCPA Capacity Pool will be paid to or charged to the appropriate participants within the All Resources Bill the month following the transfer of capacity.

3.3 Development of Capacity Balance for Capacity Transfer Process and Compliance Demonstrations. For each applicable capacity transfer and compliance period, NCPA will develop a capacity balance for each of the NCPA Capacity Pool participants. ~~A revised~~When developing the capacity balance for each applicable compliance period, NCPA will exclude the portion of system, flexible and/or local area capacity sourced from a resource that is scheduled to be

unavailable due to a planned maintenance outage, when the scheduled planned maintenance outage persists for a period greater than 10 days during a calendar month. An updated capacity balance will be distributed to the NCPA Capacity Pool participants ~~prior to~~congruent with the submission of each resource adequacy demonstration to the CAISO (including both annual and monthly submissions developed and provided in accordance with Pooling Schedule 5). Each NCPA Capacity Pool participant is responsible for reviewing the current capacity balance distributed by NCPA to ensure all capacity that is maintained by the participant is accounted for and reflected accurately in the capacity balance. If a NCPA Capacity Pool participant identifies a discrepancy in the current capacity balance ~~developed and~~ distributed by NCPA, the participant must contact NCPA to inform NCPA of the discrepancy. ~~If, per mutual agreement between the participant and NCPA,~~If it is determined that a correction to the current capacity balance is required, NCPA will update and redistribute the capacity balance accordingly. If NCPA has not received notice ~~from~~of a ~~NCPA Capacity Pool participant(s), within three (3~~correction at least five (5) days prior to the next applicable capacity transfer deadline, or resource adequacy ~~annual or monthly~~ demonstration ~~deadline, that there is a discrepancy in the current capacity balance~~filing deadline, the capacity balance will be

deemed accurate and will be made final, and will be used for the next applicable capacity transfer process and/or resource adequacy demonstration.

3.4 Evaluation of Surplus/Deficient System and Local Area Capacity Positions for Capacity Transfer Process. Once the applicable capacity balance developed by NCPA has been ~~certified and~~ deemed final, NCPA will evaluate each NCPA Capacity Pool participant's resulting system, flexible and/or local area capacity balance, to determine if ~~they maintain~~it maintains an amount of system, flexible and/or local area capacity that is surplus to their needs, or if ~~they maintain~~it does not maintains an amount of system, flexible and/or local area capacity ~~that is deficient in meeting~~to meet its ~~capacity reserve~~ requirement~~.~~, therefore being deficient for the applicable compliance period.

~~3.1~~ This analysis will separately account for each type of capacity that qualifies as Type A or Type B capacity. Type A and Type B capacity will be used in the following manner to satisfy a participant's capacity reserve requirement:

(i) A participant's Type A capacity will be used first to meet its system and/or local area capacity reserve requirement;

(ii) If a participant's total amount of Type A local area capacity is equal to or less than its local area capacity reserve requirement, then the total amount of the participant's Type A local area capacity will be used to satisfy its capacity reserve requirements;

(iii) If a participant's total amount of Type A local area capacity is greater than its local area capacity reserve requirement, then the amount of Type A local area capacity that is surplus to its need will be treated as surplus local area capacity that is available for transfer unless the following conditions apply[1]:

(a) if a participant's total amount of Type A and Type B system capacity is less than its system capacity reserve requirement not met with Type A local area capacity, and there is insufficient surplus system capacity available for transfer from the NCPA Capacity Pool to fulfill its system capacity reserve requirement, an amount of the participant's surplus local area capacity will be used to meet its remaining system capacity reserve requirement; or

(b) if a participant's total amount of Type A and Type B system capacity is less than its system capacity reserve requirement not met with Type A local area capacity, and the total amount of the participant's surplus local

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[1] The objective of step 3 is to provide a participant who maintains surplus local area capacity, but who is deficient in meeting its system capacity reserve requirement, the ability to simultaneously sell local area capacity and buy system capacity to maximize the amount of surplus local area capacity available for transfer within the NCPA Capacity Pool. Only to the extent that there is insufficient system capacity available for transfer from the NCPA Capacity Pool to meet the participant's system capacity reserve deficiency, or if the total amount of the participant's surplus local area capacity cannot be transferred within the NCPA Capacity Pool, will a quantity of that participant's surplus local area capacity be used to meet its system capacity reserve requirements above the amount used to meet its local area capacity reserve requirement.

area capacity cannot be transferred to other participants within the NCPA Capacity Pool, an amount of the participant's surplus local area capacity which cannot be transferred to other participants within the NCPA Capacity Pool will be used to meet a portion or all of its remaining system capacity reserve requirement.

(iv) If a participant's total amount of Type A system capacity is equal to or less than its system capacity reserve requirement not met with Type A local area capacity, then the total amount of the participant's Type A system capacity will be used to satisfy its capacity reserve requirement;

(v) If a participant's total amount of Type A system capacity is greater than its system capacity reserve requirement not met with local area capacity, then the amount of Type A system capacity that is surplus to its total needs will be treated as surplus system capacity that is available for transfer; and

(vi) If a participant's total amount of Type A capacity is less than its system capacity reserve requirement then an amount of Type B capacity equal to or less than its remaining system capacity reserve requirement, that has not been met with Type A local area capacity and Type A system capacity, will be used to meet its need, otherwise any amount of Type B capacity that is greater than its remaining system capacity reserve requirement will be treated as surplus system capacity that is available for transfer.

NCPA will evaluate the capacity balance of each participant to determine if any NCPA Capacity Pool participants are deficient in meeting their applicable system and/or local area capacity reserve requirements. If a single or a collection of NCPA Capacity Pool participants are deficient in meeting their applicable system and/or local area capacity reserve requirements, NCPA will calculate the total amount of system and/or local area deficiency within the NCPA Capacity Pool. Once any deficiency has been confirmed, NCPA will determine if any NCPA Capacity Pool participants maintain surplus system and/or local area capacity within the NCPA Capacity Pool that could either partially or fully offset the identified deficiency. Such surplus capacity will be distinctly accounted for as Type A local area capacity, Type A system capacity or Type B system capacity. If the total amount of surplus system and/or local area capacity within the NCPA Capacity Pool is equal to or less than the total system and/or local area deficiency, all surplus system and/or local area capacity will be transferred between the surplus and deficient NCPA Capacity Pool participants limited only by each participant's election to transfer Type A and/or Type B capacity~~, and each Participant's election to participate in the NCPA Capacity Pool as a Primary or Secondary participant.~~ If the total amount of surplus system and/or local area capacity within the NCPA Capacity Pool is greater than the total system and/or local area deficiency, only an amount of surplus system and/or local area

capacity equal to the total system and/or local area capacity deficiency will be transferred within the NCPA Capacity Pool, limited by each participant's election to transfer Type A and/or Type B capacity.

3.4.1 ~~NCPA Capacity Pool Transfer.~~ Evaluation of Surplus/Deficient Flexible Capacity Positions for Capacity Transfer Process. This analysis will account for flexible resource adequacy capacity that qualifies to be used in the following manner, to satisfy a participant's flexible capacity reserve requirement:

(i) A participant's flexible resource adequacy capacity will first be used to meet its flexible resource adequacy capacity requirement;

(ii) Flexible resource adequacy capacity will be transferred as an attribute, either bundled or unbundled with a system and/or local area capacity transfer;

(iii) If a participant's total amount of flexible capacity is equal to or less than its flexible capacity reserve requirement, then the total amount of the participant's flexible capacity will be used to satisfy its capacity reserve requirements;

(iv) If the amount of flexible resource adequacy capacity maintained by a participant is greater than its flexible resource adequacy requirement, then the amount of surplus flexible resource adequacy capacity

maintained by a participant will be available for transfer, provided, however, the following condition is met:

(a) Only flexible resource adequacy capacity attributes that are sourced from resources that have been committed as generic resource adequacy capacity (system and/or local area capacity) are available for transfer in the NCPA Capacity Pool. For the purpose of clarity, this constraint has been established to ensure generic resource adequacy capacity, with a flexible resource adequacy capacity attribute that has not otherwise been committed as resource adequacy capacity, and is not unbundled as a result of a flexible resource adequacy capacity transfer in the NCPA Capacity Pool.

3.5 NCPA Capacity Pool Transfer. System, flexible and local area capacity transfers will be processed using the transfer process as described below:

~~3.2~~3.5.1 System and Local Area Capacity Pool Transfers. Surplus Type A system and/or local area capacity will be transferred among participants prior to Type B system capacity. Local area capacity transfers will be identified and completed using the capacity transfer process prior to system capacity transfers. System capacity transfers will be identified and completed using the capacity transfer process only after the initial local area capacity transfers have been completed. If a NCPA Capacity Pool participant(s) has been

found to be deficient in meeting a system and/or local area compliance requirement, and an amount of surplus system and/or local area capacity has been identified to be available for transfer, then NCPA, acting as NCPA Capacity Pool administrator, will transfer the identified surplus system and/or local area capacity to the NCPA Capacity Pool participant(s) that are deficient in meeting a capacity reserve requirement. ~~If the total amount of surplus system and/or local area capacity available for transfer, in a specific month, is equal to or less than the total deficiency of all Primary participants, such surplus capacity will only be transferred to Primary participants and no surplus capacity will be transferred to Secondary participants. If the total amount of surplus system and/or local area capacity available for transfer, in a specific month, is greater than the total deficiency of all Primary participants, Secondary participants will be transferred a share of such excess surplus capacity in accordance with the transfer process described below. Only the type of capacity elected to be transferred by a participant, either Type A and/or Type B capacity, will be transferred to the deficient participant if available.~~ The amount of surplus system and/or local area capacity that will be transferred between surplus and deficient participants will be equal to or less than the amount of deficiency identified and limited only by each deficient participant's capacity type election. Any surplus system and/or local area capacity in excess of the total identified system and/or local area

deficiencies will not be transferred within the NCPA Capacity Pool. The following steps will be used to transfer surplus system and/or local area capacity within the NCPA Capacity Pool:

(i) Using the final capacity balance developed by NCPA, NCPA will identify the quantity of capacity deficiency for each NCPA Capacity Pool participant who has been found to be deficient in meeting its applicable capacity reserve requirement;

(ii) Using the information developed in this Pooling Schedule 4, NCPA will identify the quantity of capacity that is surplus to each NCPA Capacity Pool participant's need, by category (i.e., Type A local area capacity, Type A system capacity or Type B system capacity), which is available for transfer;

(iii) NCPA will calculate the total quantity of surplus capacity available for transfer, by category (i.e., Type A local area capacity, Type A system capacity or Type B system capacity), within the NCPA Capacity Pool;

(iv) NCPA will calculate each surplus participant's proportionate share of the total NCPA Capacity Pool surplus by category (i.e., Type A local area capacity, Type A system capacity or Type B system capacity), which is available for transfer;

(v) A quantity of surplus capacity equal to the lesser of one (1) MW or the deficient participant's calculated deficiency, will be allocated to the deficient ~~Primary~~ participant based on its respective capacity type election, ~~unless the total amount of surplus capacity available for transfer (as calculated in step 3) is less than the total amount to be transferred under this step 5, in which case the total amount of surplus capacity will be equally allocated to each deficient Primary participant,~~ but such amount shall not exceed a deficient ~~Primary~~ participant's total deficiency[2];

(vi) If after step (v) of the transfer process an amount of surplus capacity remains available, a quantity of surplus capacity equal to or less than the remaining total amount of NCPA Capacity Pool ~~Primary~~ participants' deficiency will be allocated, by capacity type, to the deficient ~~Primary~~ participants based on their proportionate share of the remaining NCPA Capacity Pool ~~Primary~~ participants' deficiency. A participant will only be allocated the capacity type(s) it has elected to transfer;

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[2] ~~Step 5 of the capacity transfer process is intended to ensure all deficient Primary participants, regardless of the size of their respective deficiency as compared to other Primary participants, will receive a transfer of surplus capacity that is equal to the lesser of one (1) MW or their respective deficiency, pending the availability of surplus capacity.~~

~~(vii) If an amount of surplus capacity remains available, in a given month, after the deficiency of all Primary participants has been fully satisfied, such remaining surplus capacity will be proportionately allocated, by capacity type, to Secondary participants who are deficient in meeting their respective compliance requirement for those months that each Secondary participant has elected to participate in the NCPA Capacity Pool. The amount of surplus capacity transferred to Secondary participants will not exceed a Secondary participant's deficiency; and~~

~~(viii~~ (vii) The total amount paid for the quantity of surplus capacity transferred to deficient participants will be allocated to the surplus participants based on their proportionate share of the total NCPA Capacity Pool surplus by category (i.e., Type A local area capacity, Type A system capacity or Type B system capacity).

The results of the ~~capacity~~ transfers processed will be accounted for in ~~the~~an updated capacity balance, and included in any applicable capacity demonstration for the term of the transfer.

3.5.2 Flexible Capacity Pool Transfers. Surplus flexible resource adequacy capacity will be transferred among surplus and deficient participants. The following steps will be used to transfer surplus flexible resource adequacy capacity within the NCPA Capacity Pool:

(i) Using the final capacity balance developed by NCPA, NCPA will identify the quantity of flexible resource adequacy capacity deficiency for each NCPA Capacity Pool participant who has been found to be deficient in meeting its applicable requirement;

(ii) Using the information developed in this Pooling Schedule 4, NCPA will identify the quantity of surplus flexible resource adequacy capacity that is available for transfer for each NCPA Capacity Pool participant;

(iii) NCPA will calculate the total quantity of surplus flexible resource adequacy capacity available for transfer within the NCPA Capacity Pool;

(iv) NCPA will calculate each participant's proportionate surplus share of the total NCPA Capacity Pool surplus available for transfer;

(v) A quantity of surplus flexible resource adequacy capacity equal to the lesser of one (1) MW or the deficient participant's calculated deficiency, will be allocated to the deficient participant, but such amount shall not exceed a deficient participant's total deficiency;

(vi) If after step (v) of the transfer process an amount of surplus flexible resource adequacy capacity remains available, a quantity of surplus flexible resource adequacy capacity equal to or less than the remaining total amount of NCPA Capacity Pool participants' deficiency will be allocated to the

deficient participants based on their proportionate share of the remaining NCPA Capacity Pool participants' deficiency;

(vii) The total amount paid for the quantity of surplus flexible resource capacity transferred to deficient participants will be allocated to the surplus participants based on their proportionate share of the total NCPA Capacity Pool surplus.

The results of the transfers processed will be accounted for in an updated capacity balance, and included in any applicable capacity demonstration for the term of the transfer.

~~3.1~~3.6 Assignment of Charges or Penalties for Disqualified System Flexible and Local Area Capacity. Once system, flexible and local area capacity demonstrations are submitted to the CAISO, the CAISO will evaluate the demonstration to determine if it is in compliance with the applicable ~~capacity reserve~~ requirements. Pursuant to the CAISO Tariff, CAISO will review such demonstrations and will identify if such satisfies a participant's compliance requirement. Pursuant to this review, if the CAISO disqualifies an amount of capacity that is maintained within a NCPA Capacity Pool participant's portfolio, CAISO will provide notice to the participant's Scheduling Coordinator that such capacity has been disqualified. At such time the disqualified capacity may be replaced by the participant in accordance with the rules and timelines set forth in

the CAISO Tariff. If NCPA, acting as Scheduling Coordinator on behalf of the participants, receives notice from the CAISO that it has disqualified an amount of capacity that is maintained within a NCPA Capacity Pool participant's portfolio, NCPA will promptly notify those participants impacted by such notice. If as a result of CAISO's disqualification of such capacity NCPA incurs a penalty or charge from the CAISO, the penalty or charge incurred by NCPA will be allocated to the Participant(s) that maintained such capacity within its portfolio prior to any system and/or local area capacity transfers. This allocation methodology will ensure that any capacity that is transferred within the NCPA Capacity Pool transfer process that is disqualified by the CAISO, and which results in the assessment of charges or penalties, will not result in harm to the procuring party, but instead provides an incentive to the selling party to provide fully qualified capacity to the NCPA Capacity Pool.

~~3.1~~3.7 Assignment of Non-Availability Charges and Availability Incentive Payments. Once system, flexible and/or local area capacity demonstrations are submitted to the CAISO, the CAISO will measure the performance of such capacity in accordance with the provisions of the CAISO Tariff. Pursuant to this review, if the CAISO determines that such capacity has failed to perform in accordance with the provisions of the CAISO Tariff resulting in non-availability charges being assessed to NCPA, or if the CAISO determines that such capacity

has exceeded the performance standards in accordance with the provisions of the CAISO tariff resulting in the credit of availability incentive payments to NCPA, such charges and/or incentive payments will be allocated to Participant(s) that maintained such capacity within its portfolio prior to any system, flexible and/or local area capacity transfers. This allocation methodology will ensure that any capacity that is transferred within the NCPA Capacity Pool transfer process that either does not perform in accordance with the CAISO Tariff, or that exceeds the performance standards in accordance with the provisions of the CAISO Tariff, will not harm or provide an availability benefit to the procuring party, but instead will provide an incentive to the selling party to offer capacity that meets or exceeds the CAISO availability requirements contained within the CAISO tariff to the NCPA Capacity Pool transfer process.

~~3.2~~3.8 Development of Capacity Transfer Pricing. All Capacity transferred between participants within the NCPA Capacity Pool will be priced in accordance with the provisions found within this section. Capacity pricing for ~~both~~flexible, system and local area capacity will be developed for use by the NCPA Capacity Pool participants, and will not be effective for other non NCPA Capacity Pool capacity transfers that NCPA may administer. Capacity pricing for ~~both~~ system, flexible and local area capacity will be developed annually, and will be established pursuant to Commission adoption and approval that will take

place at the Commission meeting held at the earliest in ~~July.~~August and no later than October. If capacity prices for ~~both~~ system, flexible and local area capacity are not adopted and approved by the Commission at the Commission meeting held in ~~July~~August, capacity prices for ~~both~~ system, flexible and local area capacity will be adopted and approved by the Commission during the next available Commission meeting.

~~3.2.1~~3.8.1 System, Flexible and Local Area Capacity Pricing Alternatives. The following alternatives or methodologies, or a combination of such, may be utilized to develop ~~a~~ system, flexible and local area capacity ~~price~~prices that will be used within the NCPA Capacity Pool transfer process:

(i) negotiated price;

(ii) market price survey, formal or informal request for proposal; of

(iii) CAISO backstop procurement proxy value of capacity.

An ad hoc group of NCPA Capacity Pool participants will be organized to develop and propose a system, flexible and local area capacity price to the Commission for adoption and approval, in a timeframe consistent with the approval process described in this Pooling Schedule 4. If the established ad hoc group of NCPA Capacity Pool participants is unable to collectively develop and propose a system, flexible and local area capacity price to the Commission for adoption and approval, in a timeframe consistent with the approval process

described in this Pooling Schedule 4, a default price will be established for flexible, system and local area capacity as described in this Pooling Schedule 4.

~~3.2.2~~3.8.2 Default System, Flexible and Local Area Capacity Price. In the event an established ad hoc group of NCPA Capacity Pool participants is unable to collectively develop and propose a system, flexible and/or local area capacity price to the Commission for adoption and approval, in a timeframe consistent with the approval process described in this Pooling Schedule 4, the following default ~~system and local area capacity~~ pricing methodologies will be used to derive prices that will be used within the NCPA Capacity Pool transfer process:

~~(i)~~ ~~the~~(i) The system capacity price that will be used for capacity transfers within the NCPA Capacity Pool will be equal to the CAISO proxy value of capacity, established within the CAISO Tariff, for backstop procurement ~~multiplied by fifty percent (50%);~~; the system capacity price, expressed as a formula, is: System Capacity Price ($/kW-year) = CAISO Proxy Value of Backstop Capacity;

~~(a) System Capacity Price ($/kW-year) = CAISO Proxy Value of Backstop Capacity * 0.5~~

(ii) ~~the~~The local area capacity price that will be used for capacity transfers within the NCPA Capacity Pool will be equal to the CAISO proxy value

of capacity, established within the CAISO Tariff, for backstop procurement, expressed as a formula: Local Capacity Price (~~$~~/kW-year) = CAISO Proxy Value of Backstop Capacity; and

(~~b) Local~~iii) The flexible resource area capacity price that will be used for capacity transfers within the NCPA Capacity ~~Price ($/~~Pool will be equal to $0.50/kW-~~year) =~~month.

3.9 Resource Adequacy Substitution. Pursuant to the CAISO ~~Proxy Value~~Tariff, after the date a resource has been designated to the CAISO as resource adequacy capacity, if a resource subsequently becomes unavailable due to an outage, the CAISO may require the supplier of ~~Backstop~~such capacity to provide an alternate or substitute resource to replace such unavailable capacity. To the extent a NCPA Capacity Pool participant becomes subject to this substitution requirement for any reason, the NCPA Capacity Pool participant may procure any available substitute capacity through the NCPA Capacity Pool, as further described in this Section 3.9.

3.9.1 Subsequent to the completion of the annual and monthly NCPA Capacity Pool transfer process described herein, if an amount of surplus capacity remains available, such available surplus capacity will be made available for sale as substitute capacity. Substitute capacity may be transacted in

the NCPA Capacity Pool for a minimum term of one day, and a maximum term of one calendar month.

3.9.2 Upon a participant's receipt of notice from the CAISO of its obligation to supply substitute capacity, NCPA will evaluate the notice and shall determine if sufficient eligible capacity is available for transfer. If such is true, NCPA will process a transfer of substitute capacity according.

3.9.3 The process used for completing transfers of substitute capacity will be conducted in a manner that is consistent with the transfer methodology described in Section 3.5.

3.9.4 All substitute capacity transfers processed in the NCPA Capacity Pool shall be compensated based on the rate established for the applicable capacity product, as set forth in Section 3.8, where the applicable capacity rate shall be adjusted to reflect the number of days the transfer is made (e.g., $/kW-day).

3.9.5 Settlement of all substitute capacity transfers will be process through the All Resources Bill.

Commission Staff Report

October 14, 2019

COMMISSION MEETING DATE: October 24, 2019

SUBJECT: Overview of Budget Process and Approach – Request for Guidance of FY2020/21 Northern California Power Agency Operating Budget Directions

AGENDA CATEGORY: Discussion/Action

FROM:	Monty Hanks	**METHOD OF SELECTION:**
	Assistant General Manager/CFO	*N/A*
Division:	Administrative Services	
Department:	Accounting & Finance	

IMPACTED MEMBERS:

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

If other, please specify

_____

_____

RECOMMENDATION:

Staff recommends the Commission provide guidance and direct staff to prepare the FY2020/21 Operating Budget in accordance with the accepted directions.

BACKGROUND:

As part of the budget process, staff is seeking Commission guidance of budget directions prior to budget preparation for the next fiscal year (FY2020/21). Staff discussed the budget review process and specific budget directions/targets with the Facilities Committee, Lodi Energy Center Project Participant Committee, and Utility Directors at their meetings on October 2nd, 7th, and 10th, respectively. No changes were suggested.

FISCAL IMPACT:

Direction provided in this presentation will provide budget guidance for FY2020/21. Specific fiscal impact is not known at this time. Actual fiscal impact will be presented at the time of final approval of the FY2020/21 Operating Budget, currently scheduled for April 2020.

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:
Budget Directions FY2021 Presentation

A PUBLIC AGENCY
NCPA
NORTHERN CALIFORNIA POWER AGENCY

Operating Budget for FY21

Proposed Process and Recommendations

Monty Hanks
October 2019

Strategic Plan 2016-2021

- **Mission**
  - To provide our members cost effective wholesale power, energy-related services, and advocacy on behalf of public power consumers through joint action.
- **Vision**
  - To be the premier provider of energy services to public entities.
- **Strategies**
  - Attract, develop and retain professional, high quality staff.
  - Maintain position as credible, solution-oriented coalition builder and leader in state and federal legislative and regulatory policy arenas.
  - Develop and maintain diverse generation resource portfolio in accordance with renewable portfolio standard and capacity obligations.
  - Protect, utilize and build on the strengths and unique aspects of JPA structure to benefit NCPA's members.
  - Develop/maintain strategies to control costs and minimize risks while maximizing the value of assets.
  - Grow new revenue and/or reduce member costs by exploring new members/participants and expansion of current services.
  - Help articulate and promote the value of NCPA and public power utilities to member communities.

Proposed Budget Process

- Continued approach to review draft budgets through Facilities, LEC and L&R Committees, UD Meetings, etc.
- Budget is prepared on a project/program basis.
- Allocation for all allocated costs (Power Management, L&R, Judicial Action, Administrative & General and direct allocations) will use previously approved methods – no changes proposed at this time but will be reviewed internally.
- Continued focus on NCPA controllable costs and additional sharing of costs (economies of scale).

Issues Impacting FY2020/21 Budget

- Union contracts (IBEW & HEA)
  - 2.7% COLA plus final year of labor market adjustments
  - All effective first pay period January 2021 (1/2 year impact)
- PERS Employer Normal Cost
  - Increased to 11.395% from 10.819%, about $237k
- Continuation of 15y funding for pension & retiree medical plans (unfunded liability)
  - Should be relatively flat for both
- CPI Index as of August 2019 was 1.7%

Issues Impacting FY2020/21 Budget (continued)

- Capital & Maintenance of Assets
  - Purpose to keep assets in great working condition and aligned with preventive maintenance schedules
  - Hydro - McKays Cleanout reserve funding increase (+$1.25m) over FY20
  - Geo - some projects were deferred in FY20 due to well workover project
- Wildfire Mitigation
  - Increased efforts to minimize risk and comply with AB 1054
- Insurance Premiums (1/2 year impact)
  - Property – $200-400k in increases depending on loss history
  - Casualty – $200k+ increases (minimum) and pending insurance companies are willing to write California utility paper

Issues Impacting FY2020/21 Budget (continued)

- Additional PM expansion
  - NID? South Feather? CCAs?
  - Will require additional staff, possible control room expansion, and increased controls (small to med impact entity)
- PM Revenue from Service Contracts
  - MEID – original contract ends 6/30/2022
  - PCWA – 12/31/2020, automatic two year extension
  - East Bay – 4/30/2020, automatic one year extension
  - San Jose – 8/31/2020, automatic two year extension
  - NID – unknown but should be included in FY21 budget
  - SFWD – unknown, but should be included

Budget Recommendations for 2020/21

- Pass-throughs
  - Based on information from outside entities
    - Membership dues, subscriptions, transmission services, WREGIS, and other member services projects, etc.
- Legal
  - Judicial action and all other legal expenses should be lower than previous years
- Capital Outlay
  - Capital projects for plants and HQ & IS to be specifically reviewed/vetted by Facilities Committee & LEC Participants

Budget Recommendations for 2020/21

- Plant costs
  - Debt service as scheduled plus trustee & administrative costs
  - Fuel as required for estimated plant operations
  - Regular operating & maintenance – target **1.7%** increase
    - May be more with increased wildfire mitigation efforts (hydro, geo)
  - Maintenance/capital projects – reviewed with project participants (Facilities Committee & LEC Participants)
- Transmission Costs
  - Based on the published rate (estimated during budget prep)
- CAISO Energy Load Costs
  - Forecasted Load x Dlap Price (based on forward curve)

Budget Recommendations for 2020/21

- Salaries and Benefits
  - Target not-to-exceed $1.5m increase to include:
    - Based on negotiated contracts for unions
    - Broadbanding adjustments for merits, promotions, upgrades, etc.
  - 15y amort. schedules for PERS & OPEB unfunded liabilities
  - Request of new positions to balance current workloads, PM expansion and compliance reqs. (subject to GM review/recomm.)
- All other operating expenses
  - Target no more than **1.7%** increase from previous year base budget but refine by aligning closer to actuals

Budget Recommendations for 2020/21

Questions?

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NCPA
NORTHERN CALIFORNIA POWER AGENCY

Agenda Item: 27

Commission Staff Report

COMMISSION MEETING DATE: October 24, 2019

SUBJECT: Approve the Amended Employment Agreement by and between the Northern California Power Agency and Randy S. Howard

AGENDA CATEGORY: Discussion/Action

Pursuant to Government Code Section 54957.6: Conference with Labor Negotiators, and Government Code Section 54957: Performance Evaluation: Unrepresented Public Employee: One category: **General Manager** – this item is being considered in Closed Session.

Contingent upon action taken during **Closed Session Item 31,** the Staff Report, Resolution and Amended Agreement will be provided to the Full Commission in Open Session for final consideration.