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Agenda

Date: March 31, 2016

Subject: NCPA Commission Meeting

Location: NCPA's Roseville Office, 651 Commerce Drive, California

Time: 9:30 am

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

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

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

1. *Call Meeting to Order and Introductions (9:30 – 9:35 am)*
2. *Approve minutes of the February 25, 2016, Regular Commission Meeting, and the March 4 2016, Special Commission Meeting (9:35 – 9:40 am)*

PUBLIC FORUM

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

OPEN SESSION

REPORTS AND COMMITTEE UPDATES (9:40 – 10:15 am)

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

CONSENT CALENDAR (10:15 – 10:25 am)

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

10. ***NCPA's Financials for the Month Ended February 29, 2016*** – approval by all members.
11. ***Treasurer's Report for the Month Ended February 29, 2016*** – accept by all members.
12. ***Sale or Disposal of Surplus Property*** – note and file report by all members the disposal of a 1992 Snowcat and Scrap metal. **Fiscal Impact:** none.
13. ***Resolution 16-22, Approving a Consulting Services Agreement with Law Offices of Susie Berlin*** – approve resolution by all members authorizing the General Manager or his designee to enter into a Consulting Services Agreement with Law Offices of Susie Berlin. **Fiscal Impact:** total cost of the agreement is not-to-exceed \$300,000 annual for a term of three years. Funding of this agreement is provided for in the current Legislative and Regulatory Affairs program budget, and was approved as part of the proposed FY 2017 program budget during the NCPA Legislative and Regulatory Affairs Committee's Budget Workshop.
14. ***Resolution 16-24, Approving a Multi-Task General Services Agreement with Maxim Crane Works, LP Applicable to the following projects: All NCPA Facility Locations, Members, SCPPA, and SCPPA Members*** – approve resolution by all members authorizing the General Manager or his designee to enter into a Multi-Task General Services Agreement with Maxim Crane Works, LP, 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, its members, by the Southern California Public Power Authority (“SCPPA”), or by SCPPA members.

Fiscal Impact: total cost of the agreement is not-to-exceed \$500,000 over five years to be used out of NCPA approved budgets as services are rendered. Purchase orders referencing the terms and conditions of the Agreement will be issued following NCPA procurement policies and procedures.

- 15. Resolution 16-25, Approving a Multi-Task Professional Services Agreement with Utility System Efficiencies, Inc., for Consulting Services Related to WECC/NERC Reliability Criteria; Applicable to the following projects: All NCPA Facility Locations, Members, SCPPA, and SCPPA Member** – approve resolution by all members authorizing the General Manager or his designee to enter into a Multi-Task Professional Services Agreement with Utility System Efficiencies, Inc., with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$300,000 over five years, for consulting services related to WECC/NERC reliability criteria for use at all facilities owned and/or operated by NCPA, its Members, by the Southern California Public Power Authority (“SCPPA”), or by SCPPA members.

Fiscal Impact: total cost of the agreement is not-to-exceed \$300,000 over five years to be used out of NCPA approved budgets as services are rendered. Purchase orders referencing the terms and conditions of the Agreement will be issued following NCPA procurement policies and procedures.

Consent Items pulled for discussion: _____

DISCUSSION / ACTION ITEMS (10:25 – 10:45 am)

- 16. Resolution 16-23, Approving a Long-Term Funding Plan for the NCPA Retiree Medical Plan (Post-Employment Benefits Other than Pensions)** – approve resolution by all members establishing a long-term funding plan for the NCPA Retiree Medical Plan.
Fiscal Impact: would increase annual required contributions to the NCPA Retiree Medical Plan by \$395,000. Cost allocation of this amount is based on labor costs for each NCPA program and project. Labor costs are allocated based on project or program participation percentages and allocation methods per the budget.

INFORMATION ITEMS (10:45 – 11:00 am)

- 17. Proposed Annual Budget for Fiscal Year 2017** – status report, budget preview and slide presentation for this year’s budget preparation.
- 18. Hydrology Report** – update and presentation.

CLOSED SESSION (11:00 – 11:15 am)

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

ADJOURNMENT



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Minutes

To: NCPA Commission
From: Cary A. Padgett, Assistant Secretary to the Commission
Subject: February 25, 2016, NCPA Commission Meeting

Item #1 – Call Meeting to Order and Introductions

Vice Chair Bob Lingl called the meeting to order at 9:38 am at NCPA's Roseville Office, 651 Commerce Drive, Roseville, California. A quorum was present. Introductions were made. Those in attendance are shown on the attached attendance list.

Item #2 – Approve Minutes of the January 21, 2016, Regular Commission Meeting, and the February 8, 2016, Special Commission Meeting

Motion: A motion was made by Gary Plass and seconded by Roger Frith to approve the Minutes of the January 21, 2016, Regular Commission Meeting, and the February 8, 2016, Special Commission Meeting. The motion carried unanimously on a voice vote of those members present.

PUBLIC FORUM

Vice Chair Bob Lingl asked if any members of the public were present who would like to address the Commission on the agenda items. No members of the public were present.

Member of Month was City of Santa Clara Council Member Teresa O'Neill.

REPORTS AND COMMITTEE UPDATES

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

- The Legislative and Regulatory (L&R) Affairs Committee met yesterday and recommended approval of FY 17 L&R budget program. Asked all departments to decrease their budget or stay the same. Members will be receiving \$7.6 million back in settlements.
- Continuing to work on bringing in new members to NCPA.
- CVPIA update and status report: Continuing discussions with Western and the Bureau on CVP Restoration Funds, as well as the project managers are working on a proposal. No settlement at this time. Have a meeting scheduled with the principles on February

- 29th. Sutter Plant shutdown impacted some members. Western working on options for transmission rights.
- Update on Regionalization Efforts: The Legislative and Regulatory Affairs and Power Management staff are working internally and externally with key groups on this issue. Have a meeting scheduled today at the state capitol with key legislative staff to discuss this issue.
 - Provided an update on the POU effort on EIM. The CAISO Nominating Committee is working through an extensive list of candidates for the EIM CAISO Committee, and plan to reduce the list of candidates by next week.
 - Update on the draft Support Services Agreement. Provided a copy of the Southern California Public Power Authority's and Working Groups and Customer Service Working Group lists. This list of committees and working groups is a potential list of groups that NCPA and its members can participant in.
 - Met with CAISO staff. Aliso Canyon issue was discussed. Could have some spikes in the gas market because of Aliso Canyon. Will continue to meet and work with the CAISO on transmission issues, as well as in other areas
 - Gave a brief update on NCPA's power plants and the Lodi Energy Center repairs.

Item #4 – Executive Committee

Vice Chair Bob Lingl reported that the Committee met on that morning. The Committee heard a report from the General Manager, discussed the unfunded liability issue, and reviewed NCPA's Draft 2016-2019 Strategic Plan. The Committee also took action and approved the location and date of the 2017 NCPA Annual Conference. The 2017 Annual Conference will be held at the Silverado Resort in Napa, California.

Item #5 – Facilities Committee

Assistant General Manager Dave Dockham reported the Committee met three times since the last Commission meeting. The Committee met at its regular scheduled meeting and discussed Items 16 and 17 on today's Agenda. The Committee further discussed and recommended approval of Item 20 on today's Agenda, but recommended it be subject to Legal Committee review and approval. The Committee also discussed Item 21 on today's Agenda, and recommended clarifying the minimum screening criteria language in the resolution. A quorum of the Committee was present for these items. The Committee recommended Commission approval of all items.

Held a Special Committee meeting on March 16 and discussed the Nexant Cost Allocation Model Billing Determinates and the Power Management and Administrative Services Cost allocation Study, which is Item 18 on today's Agenda. A quorum of the Committee was present for this item. The Committee recommended Commission approval.

Held a Special Committee meeting on March 17 to discuss FY 2017 Budget Justifications.

Met with Marin Clean Energy this week regarding pricing for power management services. Scope is less than initially thought, and staff is in the process of refining the proposal. Will hold a Special Commission meeting on March 4 to seek Commission approval of the revised proposal.

Item #6 – Finance Committee

Committee Chair Gary Plass reported the Committee met on February 10, 2016. The Committee reviewed and recommended approval of the December 31, 2015, Debt and Interest Rate Management Report, which is Item 13 on today's Agenda. The Committee also continued

discussions on a long-term funding plan for the NCPA Retiree Medical Plan. Committee reviewed the additional funding scenarios provided for 10, 15 and 20 year amortization options and the impact by member on annual contributions. The Committee asked for more time to consider the proposal and to brief the Utility Directors. A Special Committee meeting will be scheduled in mid-March to discuss further. The Committee received an update on bond markets from NCPA's financial advisor PFM. The next regular scheduled Committee meeting is scheduled for May 11, 2016, at 10 am.

Item #7 – Legal Committee

Assistant General Counsel Ruthann Ziegler reported the Legal Committee met on February 12th. The Committee reviewed and discussed all member comments on the proposed New Member Policy Agreement and the proposed Support Services Agreement, which are Items 20 and 21 on today's Agenda.

Item #8 – Legislative & Regulatory Affairs Committee

Committee Chair Bob Lingl reported the Committee met on February 24, 2016, and discussed NEM and ISO Regionalization Strategy. The Committee also reviewed and discussed the proposed FY17 L&R budget and recommended approval. The NCPA/NWPPA Federal Policy Conference in Washington, D.C. will be held on April 24-27, 2016 – registration is open to NCPA members. The next L&R Committee meeting is on May 25, 2016, in Roseville.

Item #9 – Members' Announcements & Meeting Reporting

No member announcements or reporting.

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. Item 18 was pulled for discussion.

Motion: A motion was made by Gary Plass and seconded by Greg Scharff to approve the Consent Calendar consisting of Items 10, 11, 12, 13, 14, 15, 16, 17, and 19. The motion carried by a majority of those members present on a roll call vote with the abstentions noted below for each item.

BART, Gridley, Redding, Truckee Donner, and Plumas-Sierra were absent.

Item #10 – NCPA's Financials for the Month Ended January 31, 2016 – approval by all members.

Item #11 – Treasurer's Report for the Month Ended January 31, 2016 – accept by all members.

Item #12 – Sale or Disposal of Surplus Property – note and file report by all members the disposal of Kidde Gemini Fire System, 2002 Ford Expedition and scrap metal.

Fiscal Impact: none.

Item #13 – December 31, 2015, Debt and Interest Rate Management Report – note and file report by all members the December 31, 2015, Debt and Interest Rate Management Report. **Fiscal Impact/Projected Savings:** total projected savings over the life of the related bonds (23 years) was \$13.9 million at the inception of these agreements. Total savings projected to occur through December 31, 2015, was \$4,277,007 with actual results at \$7,398,206. The difference between expected savings and actual savings is due to “basis risk”, or the difference between what NCPA pays for underlying variable rate bonds and the index rate used in the swap transaction. Negative results in prior reports were directly attributable to the meltdown in the variable rate bond market in 2008. For a short period of time in December 2007 and January 2008, NCPA had “bank bonds,” which are variable rate bonds that are not able to be remarketed. These bonds bore interest rates at 12% for the short time they were not remarketed, diluting the actual savings expected from these swap transactions by almost \$200,000. On a positive note, the market stabilized in early 2009 and the swaps accrued positive basis differential until approximately May 2011. A downgrade by the rating agencies of the liquidity provider for our variable rate program, Dexia, increased the weekly reset rates from approximately 30 basis points, to a high of 300 basis points. In September 2011, Citibank NA replaced Dexia as the liquidity provider. Prior to the replacement, from May to September, the Agency again experienced negative basis on these swap transactions. After replacement of Dexia, the rates again improved greatly and at the current time and on a cumulative basis, savings from the swap transactions have exceeded expected savings by over \$3.1 million. Staff continues to monitor the potential for refinancing these bonds and terminating the swaps, however, with current low treasury rates causing a large mark to market payment due to Citigroup of over \$21.0 million, refunding is not feasible at this time.

Item #14 – Resolution 16-11, Adoption of Amended and Restated Money Purchase Plan and Trust Agreement for 401(A) Retirement Plan No. 107909 – adopt resolution by all members adopting the amended and restated 401(a) qualified money purchase retirement plan and authorize execution by the Chief Financial Officer, the designated Plan Coordinator with ICMA.

Fiscal Impact: there is no fiscal impact to this action. IRS Regulations require formal adoption of revised documents to keep up with legislative and regulatory changes and to maintain the qualified status of the 401(a) plan.

Item #15 – Resolution 16-12, Approving a Five Year Multi-Task Consulting Services Agreement with TMG Utility Advisory Services, Inc. – adopt resolution by all members authorizing the General Manager or his designee to enter into a Multi-Task Consulting Services Agreement with TMG Utility Advisory Services, Inc. with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$1,500,000 over five years for use by NCPA that applies to Members, SCPPA and SCPPA members.

Fiscal Impact: this Multi-Task Consulting Services Agreement between NCPA and TMG Utility Advisory Services, Inc., has a not-to-exceed limit of \$1,500,000 over its five year term. As indicated in section 1.5 of the Agreement, NCPA will issue purchase orders for any specific tasks on behalf of applicable contracting members and participants, which will be separately submitted for Commission approval, if required.

An Addendum to Commission Staff Report on Golden Rod paper noting that Section 3 of the Multi-Task Consulting Services Agreement was modified to include access to certain specified NCPA facilities and equipment to be available for on-site TMG consultants at NCPA headquarters. In addition, Section 8.4.4 of the Agreement has been modified to set a defined cap of 150% of the costs for charges to consultant in the event of material breach of the agreement.

Item #16 – Resolution 16-13, Approving a Multi-Task General Services Agreement with Compliance Services, Inc.; Applicable to the following projects: all Generation Services Plant Locations, Members, SCPPA and SCPPA Members – adopt resolution by all members authorizing the General Manager or his designee to enter into a Multi-Task General Services Agreement with Compliance Services, Inc. with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$1,500,000 over five years for use at all facilities owned and/or operated by NCPA, by its members, by the Southern California Public Power Authority (“SCPPA”), or by SCPPA members; and authorize the NCPA General Manager to approve purchase orders pursuant to the Agreement totaling \$493,000 over five years for compliance with mandated D.O.T. regulations at the Alameda CT1 project.

Fiscal Impact: total cost of the agreement is not-to-exceed \$1,500,000 over five years to be used out of NCPA approved budgets as services are rendered. The \$493,000 over the five year term will be charged to the CT1 project approved budgets. Additional purchase orders referencing the terms and conditions of the Agreement will be issued following NCPA procurement policies and procedures.

Item #17 – Resolution 16-14, Approving the Public Works Agreement with Northern Industrial Construction, Inc.; Applicable to the following project: Geothermal Plant 2, and Unit 4 – adopt resolution by all members authorizing the General Manager or his designee to enter into the public works Agreement with Northern Industrial Construction, Inc. which shall not exceed \$950,000, with any non-substantial changes recommended and approved by the NCPA General Counsel.

Fiscal Impact: the cost for the base scope of work is \$822,908 as specified by the request for proposal. Including contingency funds of approximately 15%, the total cost of the project is \$950,000. The project will be done in phases over FY2016 and 2017. Funds of \$300,000 are included in the current FY 2016 budget and are available in the Generation Services, Geothermal account. Remaining funds of \$650,000 would be included in the FY2017 budget. Cost allocation will be based on project participation percentages.

Port of Oakland abstained

Item #19 – Resolution 16-19, Reestablish Storekeeper Position (Represented) and Salary Range – adopt resolution by all members approving the reclassification of an Administrative Assistant/Office Administrator I position to Storekeeper, and approve the Storekeeper 2016 salary range of \$26.78/hour to \$32.13/hour.

Fiscal Impact: there is no fiscal impact due to the creation of the Storekeeper job classification. This is an existing position and funding for the position was included in the FY 2016 budget.

DISCUSSION / ACTION ITEMS

Item #18 – Resolution 16-18, Update NCPA Power Management Cost Allocation Spreadsheet Model for Fiscal Year 2017 – adopt resolution by all members approving the following updates to the NCPA Power Management Cost Allocation Spreadsheet Model, and that such modifications be made effective for Fiscal Year 2017:

1. Hour Ahead NCPA Schedule and CAISO Schedule count inputs incorporated into the Nexant Model be modified to exempt and remove the hour ahead schedule counts attributed to PIRP Resources;
2. PIRP Resources shall be assigned an IT Factor equal to one (1); and
3. The Prescheduling Cost Allocation factors used in the Nexant Model for allocating costs associated with Prescheduling activities be updated based on the labor-based cost allocation factors listed in Table 1 of the report.

Fiscal Impact: costs associated with the development of the recommendations contained herein are allocated in accordance with approved budgeted categories.

Assistant General Manager Dave Dockham gave an update and background.

Motion: A motion was made by Gary Plass and seconded by Roger Frith to approve the NCPA Power Management Cost Allocation Spreadsheet Model, and that such modifications be made effective for Fiscal Year 2017: Hour Ahead NCPA Schedule and CAISO Schedule count inputs incorporated into the Nexant Model be modified to exempt and remove the hour ahead schedule counts attributed to PIRP Resources; PIRP Resources shall be assigned an IT Factor equal to one (1); and The Prescheduling Cost Allocation factors used in the Nexant Model for allocating costs associated with Prescheduling activities be updated based on the labor-based cost allocation factors listed in Table 1 of the report. A roll call vote of project participants was taken. The motion failed due to a lack of a quorum of project participants. Will hold a Special Commission meeting on March 4th to seek Commission approval.

BART, Gridley, Plumas-Sierra, Redding and Truckee Donner were absent.

Item #20 – Resolution 16-15, Support Services Program Agreement between NCPA and Various Signatory Members by which NCPA May Provide Certain Support Services to those Members – adopt resolution by all members approving the Support Services Agreement between the Northern California Power Agency (NCPA) and those members of NCPA who execute the Agreement (Signatory Members) by which NCPA may offer to provide certain support services to those members, with any non-substantial changes recommended and approved by the NCPA General Counsel; and delegate authority to the NCPA General Manager to amend 56 existing services agreements so those agreements may be utilized under this Support Services Program Agreement.

Fiscal Impact: costs related to this agreement will be allocated to the Signatory Members electing participation and use of the various services offered in each specific procurement activity.

This agreement will allow NCPA members access to several contracts for services and training that is available through SCPA. Commissioner Scharff expressed concern with the risk associated with the agreement and asked for clarification. Assistant General Counsel Ruthann Ziegler noted that the agreement has been vetted through the Legal Committee and that risk was discussed. The objective of the agreement is to allow NCPA and its member's access to a global list of services and training at a lower cost. Each member can choose to use the agreement or not. NCPA will make the request for service on behalf of the requesting member(s), not the member. Costs related to this agreement will be allocated to the Signatory Members only. A \$250K cap threshold was included in the agreement.

Motion: A motion was made by Gary Plass and seconded by Glen Steiger to approve the Support Services Agreement between the Northern California Power Agency (NCPA) and those members of NCPA who execute the Agreement (Signatory Members) by which NCPA may offer to provide certain support services to those members, with any non-substantial changes recommended and approved by the NCPA General Counsel; and delegate authority to the NCPA General Manager to amend 56 existing services agreements so those agreements may be utilized under this Support Services Program Agreement. The motion carried by a unanimous roll call vote on those members present.

BART, Gridley, Plumas-Sierra, Redding and Truckee Donner were absent.

Item #21 – Resolution 16-16, Proposed New Member Policy and Guidelines for Obtaining Membership – adopt resolution by all members approving the Proposed New Member Policy and Guidelines for Obtaining Membership.

Fiscal Impact: the costs of evaluating entities for possible membership in NCPA will be covered with the proposed \$10,000 application fee. Provisions are provided for additional studies to evaluate membership in projects or programs and the applicant is responsible for all costs associated with such studies.

An Addendum to Commission Staff Report on Golden Rod paper noting that the Resolution has been modified to include an additional WHEREAS, stating that this New Member Policy shall supersede in its entirety and all prior drafts, directives, or versions relating to new member policies and guidelines for obtaining membership. Also included the same sentence to the “NOW, THEREFORE BE IT RESOLVED.”

The Commission discussed and agreed that bringing in new members will help NCPA be successful in the future.

Motion: A motion was made by Glen Steiger and seconded by Liz Kirkley to approve the Proposed New Member Policy and Guidelines for Obtaining Membership. The motion carried by a unanimous roll call vote on those members present.

BART, Gridley, Plumas-Sierra, Redding and Truckee Donner were absent.

Item #22 – Resolution 16-17, CMUA Grid Regionalization Assessment (FY16 Pass-through: \$85,160) – adopt resolution by all members authorizing the request to enable NCPA members to pay the CMUA CAISO regionalization assessment as a pass-through item in the current NCPA FY16 budget as shown below in Table 1.

Fiscal Impact: the total cost of the project is \$85,160 – equal to the pro rata share of \$400,000 applicable to the ten NCPA members covered in this agreement. As noted above, the amount was approved by the CMUA Board of Directors on December 8, 2015, and will cover legal and technical services provided by Braun and Blasing.

This project was not included in the current fiscal year budget, and will be assessed as a direct pass-through.

Alameda	\$6,200
Gridley	920
Healdsburg	1,720
Lodi	7,520
Palo Alto	12,760
Redding	13,880
Roseville	14,000
Silicon Valley Power	22,000
Truckee Donner PUD	3,600
Ukiah	2,560
Total	\$85,160

General Manager Randy Howard provided an update and background on the CMUA Regionalization Assessment. The assessment will only be applied to CMUA Members, and will be included in NCPA’s All Resources Bill as a pass-through charge.

Motion: A motion was made by Gary Plass and seconded by Glen Steiger to authorize the request to enable NCPA members to pay the CMUA CAISO regionalization assessment as a pass-through item in the current NCPA FY16 budget. The motion carried by a unanimous roll call vote on those members present.

BART, Gridley, Plumas-Sierra, Redding and Truckee Donner were absent. Port of Oakland abstained.

INFORMATION ITEMS

Item #23 – Hydrology Report – Assistant General Manager Ken Speer provided a slide presentation on the activities at the hydroelectric plant, and gave an update on the landslide area and the repairs taking place.

Item #24 – Lodi Energy Center Report – Assistant General Manager Ken Speer provided a slide presentation on the repairs at the Lodi Energy Center.

CLOSED SESSION

Item #25 – CONFERENCE WITH LEGAL COUNSEL – Existing litigation pursuant to Government Code Section 54956.9(d)(1): Name of case: *Northern California Power Agency, City of Redding, City of Roseville, and City of Santa Clara v. the United States*, Court of Federal Claims no. 14-817C.

REPORT FROM CLOSED SESSION

Upon return to open session, Assistant General Counsel Ruthann Ziegler reported there was no reportable action on Closed Session Item 25.

ADJOURNMENT

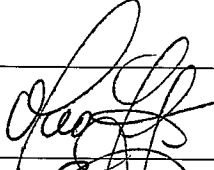
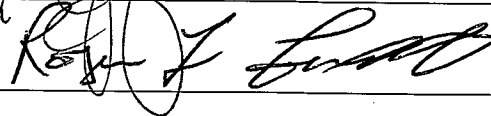
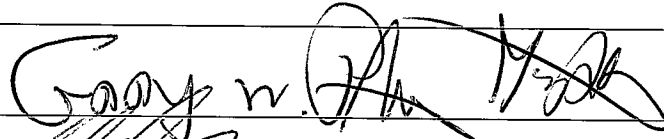

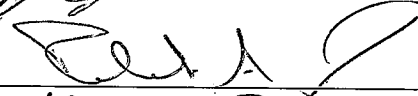


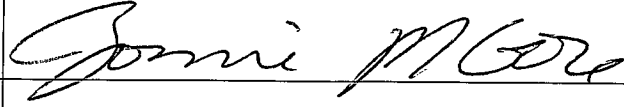


The February 25, 2016, Commission meeting was adjourned at 11:30 am.

Respectfully submitted,

CARY A. PADGETT
Assistant Secretary to the Commission

Northern California Power Agency
 Commission Meeting of February 25, 2016
COMMISSIONER
 Attendance List

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

MEMBER	NAME
ALAMEDA	 (George S. Brown - Alameda)
BIGGS	
GRIDLEY	
HEALDSBURG	
LODI	
LOMPOC	
PALO ALTO	
PORT OF OAKLAND	
PLUMAS-SIERRA REC	
REDDING	
ROSEVILLE	
SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT	
SANTA CLARA	
TRUCKEE DONNER	
UKIAH	



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: 2/25/2010

Consent Items Listed on the Agenda: # 10 to # 19

Consent Items Removed from the Agenda and Approved Separately:
18

ROLL-CALL VOTE BY MEMBERS: Hea / P.A.

Member	Item Numbers Abstained	Vote	Absent
Alameda		Y	
BART			X
Biggs		Y	
Gridley			X
Healdsburg		Y	
Lodi		X	
Lompoc		X	
Palo Alto		X	
Port of Oakland	17	X	
Redding			X
Roseville		X	
Santa Clara		X	
Truckee Donner			X
Ukiah		Y	
Plumas-Sierra			X

ATTEST:

Cary A. Padgett
Assistant Secretary to the Commission

Northern California Power Agency
ROLL CALL VOTE

Topic: item 18

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

FAILED this 25th day of February 2016, by the above vote on roll call.

Bob Lingl
BOB LINGL
Vice Chair

ATTEST: Cary A. Padgett
CARY A. PADGETT
Assistant Secretary

Northern California Power Agency
ROLL CALL VOTE

Topic: item 20

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

Passed and adopted this 25th day of February 2016, by the above vote on roll call.



BOB LINGL
Vice Chair

ATTEST: 

CARY A. PADGETT
Assistant Secretary

Northern California Power Agency
ROLL CALL VOTE

Topic: item 21

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

Passed and adopted this 25th day of February 2016, by the above vote on roll call.

Bob Lingl
BOB LINGL
Vice Chair

ATTEST: Cary A. Padgett
CARY A. PADGETT
Assistant Secretary

Northern California Power Agency
ROLL CALL VOTE

Topic: item 22

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

Passed and adopted this 25th day of February 2016, by the above vote on roll call.



BOB LINGL
Vice Chair

ATTEST: _____
CARY A. PADGETT
Assistant Secretary



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Special Meeting Minutes

To: NCPA Commission
From: Cary A. Padgett, Assistant Secretary to the Commission
Subject: March 4, 2016, NCPA Special Commission Meeting/Teleconference

Item #1 – Call Meeting to Order and Introductions

Chairperson Carol Garcia called the meeting to order at 9:31 am at NCPA's Roseville Office, 651 Commerce Drive, California. A quorum was present. Introductions were made. Those in attendance and via teleconference are shown below: *BART was absent.*

Member Commissioners attending via teleconference:

Alameda – Glenn Steiger
Biggs – Roger Frith
Gridley – Ray Borges
Healdsburg – Gary Plass
Lodi – Mark Chandler
Lompoc – Bob Lingl
Palo Alto – Greg Scharff
Plumas-Sierra – Mike Brozo
Port of Oakland – Nico Procos
Redding – Barry Tippin
Santa Clara – Teresa O'Neill
Truckee Donner – Steve Hollabaugh
Ukiah – Doug Crane

Member Commissioners attending at NCPA's Roseville Office:

Roseville – Carol Garcia

Members attending via teleconference:

Biggs - Mark Sorensen
Healdsburg - Terry Crowley
Lodi – Melissa Cadek
Palo Alto – Debbie Lloyd
Santa Clara – John Roukema

NCPA Staff and Members in attendance and via teleconference:

Roseville – Shannon McCann and Mike Bloom
Assistant General Counsel Ruthann Ziegler
Randy Howard
Dave Dockham
Donna Stevener

PUBLIC FORUM

Chairperson Carol Garcia asked if any members of the public were present or at any of the other noticed meeting locations who would like to address the Commission on the agenda items. No members of the public were present.

DISCUSSION / ACTION ITEMS

Item #2 – Resolution 16-21, Authorizing Submission of a Power Management Services Proposal to Marin Clean Energy – adopt resolution by all members authorizing staff to submit a proposal for Power Management Services to Marin Clean Energy.

Staff gave a background and discussed the timeline and schedule for the proposal. Final offers are due to Marin Clean Energy (MCE) March 9, 2016. Reviewed Power Management pricing framework and current MCE services, as well as pricing uncertainty factors. Gave an overview of MCE and their background, history and size. Services NCPA would be providing to MCE include Generation Scheduling Coordination Services, Load Scheduling Coordination Service, Load Forecasting Services, and Portfolio Management Services. NCPA Facilities Committee has reviewed and recommended approval of the proposal.

Motion: A motion was made by Doug Crane and seconded by Gary Plass to authorize NCPA staff to respond to MCE's request for a service proposal consistent with the principles and framework established in the staff report, and direct that any final agreement arising from this proposal be reviewed through the agency's governance committees, with recommendations prepared by the governance committees for further Commission approval. The motion carried by a unanimous roll call vote of those members present. *BART was absent.*

Item #3 – Resolution 16-20, Update NCPA Power Management Cost Allocation Spreadsheet Model for Fiscal Year 2017 – adopt resolution by all members approving the following updates to the NCPA Power Management Cost Allocation Spreadsheet Model, and that such modifications be made effective for Fiscal Year 2017:

- 1) Hour Ahead NCPA Schedule and CAISO Schedule count inputs incorporated into the Nexant Model be modified to exempt and remove the hour ahead schedule counts attributed to PIRP Resources;
- 2) PIRP Resources shall be assigned an IT Factor equal to one (1); and
- 3) The Prescheduling Cost Allocation factors used in the Nexant Model for allocating costs associated with Prescheduling activities be updated based on the labor-based cost allocation factors listed in Table 1 of the report.

Fiscal Impact: costs associated with the development of the recommendations are allocated in accordance with approved budgeted categories.

Staff reported that this item was taken to the Commission at the regular scheduled meeting on February 25, 2016, but the eighty percent (80%) of all signatories threshold was not met and the motion failed. This item is being resubmitted to the Commission for a second vote in an effort to obtain the eighty percent (80%) threshold required for approval.

Motion: A motion was made by Gary Plass and seconded by Glenn Stieger to approve the following updates to the NCPA Power Management Cost Allocation Spreadsheet Model, and that such modifications be made effective for Fiscal Year 2017: 1) Hour Ahead NCPA Schedule and CAISO Schedule count inputs incorporated into the Nexant Model be modified to exempt and remove the hour ahead schedule counts attributed to PIRP Resources; 2) PIRP Resources

shall be assigned an IT Factor equal to one (1); and 3) the Prescheduling Cost Allocation factors used in the Nexant Model for allocating costs associated with Prescheduling activities be updated based on the labor-based cost allocation factors listed in Table 1 of the report. The motion carried by a unanimous roll call vote of those signatory members present. *BART was absent.*

ADJOURNMENT

The March 4, 2016, Commission meeting was adjourned at 10:01 am

Respectfully submitted,

CARY A. PADGETT
Assistant Secretary to the Commission

Northern California Power Agency
ROLL CALL VOTE

Topic: item # 2

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

Passed and adopted this 4th day of March 2016, by the above vote on roll call.

Carol A. Garcia
CAROL GARCIA
Chairperson

ATTEST: Cary A. Radgett
CARY A. RADGETT
Assistant Secretary

Northern California Power Agency
ROLL CALL VOTE

Topic: Item #3

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

Passed and adopted this 4th day of March 2016, by the above vote on roll call.

Carol A. Garcia

CAROL GARCIA
Chairperson

ATTEST:

Cary A. Padgett

CARY A. PADGETT
Assistant Secretary



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Commission Staff Report

AGENDA ITEM NO.: 5

Date: March 31, 2016
To: NCPA Commission
Subject: March 2 and March 16, 2016 Facilities Committee Meeting Minutes

The attached Draft Minutes are being provided for information and to augment the oral Committee report.



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Minutes

To: NCPA Facilities Committee
From: Trisha Hubbard
Subject: March 2, 2016, Facilities Committee Meeting Minutes

- 1. Call meeting to order & Roll Call** - The meeting was called to order by Committee Vice-Chair Melissa Cadek at 9:04am. A sign-in sheet was passed around. Attending via teleconference and/or on-line presentation were Barry Leska (Alameda), Monica Padilla and Chris Hutchinson (Palo Alto), Steve Hance and Peter Virasak (Santa Clara), Nico Procos and Basil Wong (Port of Oakland), Roger Frith (Biggs), and Dean Price (Gridley). Those attending in person are listed on the attached Attendee Sign-in Sheet. Committee Representatives from BART, Healdsburg, Plumas-Sierra, TID, and Ukiah were absent. A quorum of the Committee was established.

PUBLIC FORUM

No public comment.

- 2. Approve minutes from the February 3rd, February 16th and February 17th Facilities Committee meetings.** A motion was made by Shannon McCann and seconded by Monica Padilla recommending approval of the February 3rd, February 16th and February 17th Facilities Committee meeting minutes. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Lompoc, Palo Alto, Port of Oakland, Roseville and Santa Clara. The motion passed.
- 3. Services Offer to Marin Clean Energy.** - Staff provided information regarding plans to submit a proposal to Marin Clean Energy (MCE) in response to their Request for Proposal the Agency received. Proposals are due on March 9th. MCE prefers to have services begin in June. A special Commission Meeting is scheduled for March 4th to seek approval of submittal of a proposal. Staff discussed the pricing framework and gave an overview of MCE and their background, history and size. MCE has a goal to deliver 80% renewable supply and 95% GHG free energy by 2025. Services NCPA would be providing to MCE include Generation Scheduling Coordination Services, Load Scheduling Coordination Services, Load Forecasting Services, Portfolio Management Services. Staff highlighted the cost and pricing uncertainty factors.

This is strictly a proposal for Power Management services, at this time, MCE is not looking to become a member of NCPA. Staff discussed in detail how the MCE proposal was developed in the Nexant Cost Allocation Model.

Palo Alto suggested including some language in the proposal recognizing MCE's desire to grow and the ability to renegotiate the price of services if MCE significantly increases load. The Committee supports including a triggering event of 10% increase in load to be able to re-open the contract price.

The proposal includes that MCE would enter into Power Management Services contract as a non-member at cost of \$756,000 per year with a 3.5% per year escalator. This contract would become effective June 1, 2016. Telecommunication and set-up fees offered at a one-time fee plus 15%.

Motion: A motion was made by Shannon McCann and seconded by Ron Stassi recommending Commission approval authorizing NCPA to submit a proposal for Power Management Services to Marin Clean Energy (MCE) in accordance with the parameters described in the "Key Agreement Elements" slide presentation provided at the March 2, 2016 meeting including a provision to open the contract based on a 10% or more increase in load. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Lompoc, Palo Alto, Port of Oakland, Roseville and Santa Clara. The motion passed.

4. **Power Management and Administrative Services Cost Allocation Study** – Staff reported that the recommendation the Committee approved at last month's meeting went for Commission approval at the February 25th Commission Meeting, however, the motion did not pass due to not meeting the proper voting percentage threshold. The same changes will be brought to the March 4th Special Commission meeting for approval
5. **All Generation Services Facilities, Members and SCPPA – Maxim Crane Works, LP Agreement** – Staff provided information regarding the recommendation to approve a five year Multi-Task General Services Agreement with Maxim Crane Works, LP for an amount not to exceed \$500,000 for crane services for use at all facilities owned and/or operated by NCPA, its Members, SCPPA and SCPPA Members.

Motion: A motion was made by Shannon McCann and seconded by Steve Hance to recommend Commission approval of the Multi-task General Services Agreement with Maxim Crane Works LP in an amount not to exceed \$500,000 for crane services for use at all facilities owned and/or operated by NCPA, its members, SCPPA, and SCPPA members. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Lompoc, Palo Alto, Roseville, and Santa Clara. ABSTAIN = Port of Oakland. The motion passed.

6. **All Generation Services Facilities, Members, and SCPPA – Utility System Efficiencies, Inc. Agreement** – Staff provided information regarding the recommendation to approve a five-year Multi-Task Professional Services Agreement with Utility System Efficiencies, Inc. for an amount not to exceed \$300,000 for consulting services related to WECC and NERC reliability criteria for use at all facilities owned and/or operated by NCPA, its Members, SCPPA and SCPPA members. This is strictly an enabling agreement.

Alameda requested more depth in the assumptions used to set these types of contract amounts.

Motion: a motion was made by Shannon McCann and seconded by Melissa Cadek to recommend approval of this multi-task professional services agreement with Utility System Efficiencies, Inc. in an amount not to exceed \$300,000 for WECC/NERC reliability criteria consulting services for use at all facilities owned and/or operated by NCPA, its members, SCPPA and SCPPA members. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Lompoc, Palo Alto, Port of Oakland, Roseville, and Santa Clara. The motion passed.

7. **Developing Trends in Renewable Energy** - Staff provided a presentation regarding future energy scenarios for renewable energy in light of solar production and potential effects on renewable energy certificates. Staff provided background and illustrations on the 2015-2030 contract cost vs. value of energy produced with varying assumptions of 1%, 5% and 10% LMP

decrease per year for solar generating hours. Staff also reviewed bucket 1 current prices and the production cost of the geothermal project. Based on the presentation and information provided, staff recommends using \$15/MWh for REC premium when analyzing the value of geothermal projects.

8. **Hydroelectric Facility – Adit 4 Stockpile Erosion** – Staff provided an update on the progress made since the last presentation. An interim conveyance pipe has been installed to mitigate further erosion. Phase I – interim site stabilization is now complete. The original contract cost was \$129,000 however, work was completed at a final cost of under \$80,000. Ongoing work includes investigating a potential insurance claim and initiation of Phase II work, estimated at approximately \$80,000. The next updated will be provided when Phase II is complete. \$1 million has been preliminarily added to the FY17 proposed budget to cover all costs associated with the project.
9. **CT1 Lodi Facility Outage** – Staff provided an update on the CT1 Lodi outage. In regards to the Hot Gas Path –the problem areas included having to deal with broken bolts, several cracks in row 2 nozzles, and row 1 shroud block erosion. The original budgeted costs for the outage were set at \$500,000. Projected costs currently at \$454,000.
10. **CT1 Project Alameda and Lodi Facilities** – Staff provided information regarding the budget assumptions and future direction for the CT1 project. Staff would like to establish long range goals and visions. Staff reviewed and discussed the current status of these plants – highlighting that the turbine is in good condition, there are no issues with the diesel starters or gearbox and no concerns with the balance of the plant. The biggest area of concern is electrical.

Staff presented three options for the Committee to consider and discuss:

Option 1 – Continued operation for 20 years – this would be the most expensive option upfront, however, offers the most reliability. This option includes several maintenance projects to maintain the plant's reliability.

Option 2 – Operate up to 2025 with the option to continue for another 10 years – this saves on costs upfront, however, costs increase if operation continues. Projects and upgrades would be limited. This option will affect reliability as many maintenance projects would be deferred.

Option 3 – Plan for retirement in 2025 – this option has the lowest costs, however could result in failure of equipment prematurely and will affect the reliability of the units as all maintenance projects would be deferred.

Staff presented and discussed in detail the costs associated with each option. Staff plans to gather estimates on decommissioning costs. Staff informed Committee members that they prefer Option 2, however, seeking direction from CT1 owners for budget considerations. Santa Clara is fine with Option 2, however, requests more information. They like the levelized funding concept.

Lodi prefers to levelize funding. They need to discuss options further with their management before making a decision.

Lompoc – defers to NCPA staff's recommendation of Option 2. Also prefers levelizing the costs.

Alameda – No objection to Option 2 and levelizing the costs.

Santa Clara asked if selling the units is a consideration. Staff indicated that would be part of a decommissioning study and could possibly become an added option.

Ken Speer stated that Option 1 is currently in the proposed FY17 budget, if there is no objection, he will change the amounts to match Option 2 in preparation of the next budget presentation on March 16th.

11. Schedule next meeting date – the next regular Facilities Committee meeting is scheduled for March 30th. A Special Facilities Committee meeting will be held on March 16th for further review of the FY17 budget and to seek a recommendation of approval.

ADJOURNMENT

The meeting was adjourned at 12:04 pm.

**Northern California Power Agency
 Facilities Committee Meeting of March 2, 2016
 Facilities Committee
 Attendance List**

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

MEMBER	NAME
ALAMEDA	
BART	
BIGGS	
GRIDLEY	
HEALDSBURG	
LODI	<i>Melissa Pore</i>
LOMPOC	<i>Ron Stoss</i>
PALO ALTO	
PLUMAS-SIERRA REC	
PORT OF OAKLAND	
ROSEVILLE	<i>[Signature]</i>
SANTA CLARA	
TID	
UKIAH	



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Minutes

To: NCPA Facilities Committee
From: Trisha Hubbard
Subject: March 16, 2016 Special Facilities Committee Meeting Minutes

1. **Call meeting to order & Roll Call** - The meeting was called to order by Committee Chair Alan Hanger at 9:10am. A sign-in sheet was passed around. Attending via teleconference and/or on-line presentation were Mark Sorenson (Biggs), Melissa Cadek (Lodi), Monica Padilla (Palo Alto), Nico Procos (Port of Oakland), Pete Virasak and Steve Hance (Santa Clara), and Mike Brozo (Plumas-Sierra). Those attending in person are listed on the attached Attendee Sign-in Sheet. Committee Representatives from BART, Gridley, Healdsburg, Lompoc, TID, and Ukiah were absent. A quorum of the Committee was established.

PUBLIC FORUM

No public comment.

Generation Services, Power Management and A&G FY2017 Budget Review and Power Supply Forecasts – Staff provided an overview of the budget process and timeline. Non-personnel budget is proposed to come in 2.3% above the FY16 budget. Labor is up by 8%. The Agency plans to add 1.5 FTEs (1 in Settlements and changing 0.5 time budgeted Admin position to full-time position). The Agency will be looking into hiring an in-house general counsel.

Staff reviewed the Program Cost Comparisons - Net plant costs are up \$3.5million or 5% due to lower revenues, Management Services budget is flat, Power costs are down slightly, CAISO transmission costs are up significantly by \$9.3million or 12%, and pass-through costs are flat. Staff discussed in detail the TAC rates and the potential for them to rise even higher.

Alameda announced that they are planning to discontinue their participation in BAMx. Other BAMx participants will need to decide on either reducing the scope of work with Flynn or picking up Alameda's share of the contract amount.

Staff reviewed and discussed the major drivers for the budget changes. Staff reviewed the key drivers of labor increases and highlighted the increased retiree medical costs.

Updates to the Cost Allocation include the changes made as recommended by the Facilities Committee and approved by the Commission at the March 4th Special Commission Meeting. The A&G and Legislative and Regulatory allocations remain unchanged.

A final draft of the budget is scheduled to be released on April 8th.

Administrative Services

Staff highlighted the adjustments made since the last presentation.
Proposed operating costs are decreasing by approximately \$216,750 or 6.3%
Total costs excluding labor are increasing by \$32,000 or 0.7%
Operating costs are \$300,000 below target.

Labor costs have increased by \$751,460 or 9.3%

An illustration of the A&G historical budget versus actuals was provided. FY2015 was \$2.1 million under budget primarily due to vacant positions and eliminated capital projects.

Power Management

Staff's areas of focus for FY2017 are new members and services development, CAISO market initiatives, comprehensive load/resource balance, RPS, GHG capacity reporting to members, Sharepoint implementation, and communications and reporting.

Staff reviewed staffing levels, historical power supply costs. Since a peak in 2008, Power Management and Administrative Services expenditures are down 14%. Power Management FTE staffing is down 21% since a 2007 peak.

Review of member savings (MSS) is still in development.

Staff discussed potential incremental revenues

Total budget for materials, supplies and services (without labor) is decreasing 6.4%.

Staff presented and discussed the CY15 MSSA Savings based on select charge codes. Staff discussed the attributes and associated cost savings. Palo Alto requested further discussion on this topic and suggested that schedule a separate meeting.

Generation Services

The Generation Services overhead budget was presented with an adjusted overall decrease of approximately \$185,000.

Hydroelectric:

Staff discussed and provided information on the changes made to the proposed budget since the last presentation:

Routine O&M costs without labor decreasing approximately 1.1% despite \$250,000 in water for power.

1 proposed project has been deleted reducing the budget by \$145,000.

Staff reviewed the proposed projects once again and discussed the potential for deferring certain projects. Following discussion, the Committee members reached consensus on deferring the Painting of the Collierville Crane and Bridge in the amount of \$125,000 as well as reducing the budgeted Adit 4 Erosion project to \$500,000.

Geothermal

Staff discussed and provided information on the proposed budget since the last presentation. Virtually all budget amounts are unchanged.

All proposed projects have the adjusted REC amount of \$15.

Staff reviewed the proposed projects once again – no deferrals were requested.

Combustion Turbine No. 1

Staff discussed and provided information on the proposed budget since the last presentation.

Projects have been identified based on the recommended 10 year operation plan. Staff will plan to perform turbine maintenance based on condition only.

The overall proposed budget has a decrease of \$280,000.

Combustion Turbine No. 2

Staff discussed and provided information on the proposed budget since the last presentation. There are no major changes in the total proposed budget since the last meeting. Overall costs are increasing by \$186,000
Debt will be paid in 2026
Expect STIG to be retired in 2026
Decommissioning is not yet estimated
The Maintenance and Project plan is based on 9 remaining years.

In regards to the Ammonia Risk Reduction project, staff discussed and presented an alternative to the cost sharing with LEC

The group discussed the possibility of putting a rough estimate of \$10 million for decommissioning CT2 in the 2026 forecasted budget for planning purposes.

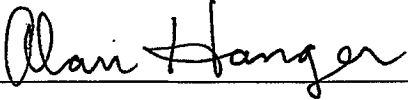

Motion: A motion was made by Shannon McCann and seconded by Melissa Cadek recommending Commission approval of the FY17 Administrative Services & General, Power Management, and Generation Services budgets including the changes proposed discussed during today's meeting. A vote was taken by roll call: YES = Alameda, Biggs, Lodi, Palo Alto, Plumas-Sierra, Port of Oakland, Roseville, and Santa Clara. The motion passed.

ADJOURNMENT

The meeting was adjourned at 11:45am.

**Northern California Power Agency
Special Facilities Committee Meeting of March 16, 2016
Facilities Committee
Attendance List**

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

MEMBER	NAME
ALAMEDA	
BART	
BIGGS	
GRIDLEY	
HEALDSBURG	
LODI	
LOMPOC	
PALO ALTO	
PLUMAS-SIERRA REC	
PORT OF OAKLAND	
ROSEVILLE	
SANTA CLARA	
TID	
UKIAH	



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Commission Staff Report

AGENDA ITEM NO.: 6

Date: March 24, 2016
To: NCPA Commission
Subject: March 11, 2016, Special Finance Committee Meeting Minutes

The attached Draft Minutes are being provided for information and to augment the oral Committee report.



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TO: NCPA Finance Committee
FROM: Donna Stevener, AGM Finance/Administrative Services
SUBJECT: NCPA Special Finance Committee Meeting Minutes of March 11, 2016

Finance Committee Attendees:

Committee Members:			Attended:	Consultants:	
Gary Plass	Healdsburg		Call-in	Rian Irani	PFM
Bob Orbeta	Alameda		Absent	Mike Berwanger	PFM
Jordan Ayers	Lodi		Call-in	Tyler Olds	PFM
Monty Hanks	Roseville		Call-in		
Jan Pepper	Santa Clara		Call-in	Gene Carron	Orrick
NCPA Staff:				Member Staff:	
Donna Stevener				Barry Leska	Alameda
Randy Howard					

1. & 2. Call Meeting to Order and Roll Call

Chairman Gary Plass called the meeting to order at 8:32 a.m. and roll call was conducted as listed above.

3. Approve Minutes of February 10, 2016

Minutes for the February 10, 2016 meeting were approved as presented.

1st Jan Pepper

2nd Gary Plass

<i>Representative</i>	<i>Member Org</i>	<i>Vote</i>
Gary Plass, Chairman	Healdsburg	Yes
Bob Orbeta	Alameda	Absent
Jordan Ayers	Lodi	Abstain
Monty Hanks	Roseville	Yes
Jan Pepper	Santa Clara	Yes

Voting Results: 3 Ayes, 0 Noes, 1 Abstain, 1 Absent

PUBLIC FORUM

Mr. Plass asked if anyone wished to address the Committee on matters within the jurisdiction of the Committee. No one from the public was present at the site or at any of the teleconference locations.

REPORTS AND COMMITTEE ACTION ITEMS

4. Review and Discussion of June 30, 2015 Post Employment Benefits Other than Pensions Long-term Funding Plan

Staff continued discussion of the proposed long-term funding plan for the NCPA Retiree Medical Plan. Ms. Stevener reminded the Committee that the bullets outlining a draft plan on page 9 of the PowerPoint had the concurrence of all the Finance Committee members with the exception of the shortened amortization period, which was still under debate. The Committee asked for additional time at the last meeting to consider the proposal and to discuss with their respective Utility Directors. Ms. Stevener indicated that the Utility Directors had been briefed at the February UD meeting. In addition, the analysis previously distributed titled "Impact per Member" was incorrect and was revised (page 7 & 8). Ms. Stevener explained the revised slides. The revised numbers are about half of the previous amounts. Mr. Howard told the Committee that discussions were happening in the Facilities Committee about the future of the CT projects and that the participants are planning to terminate several of the NCPA projects in the next 10 years. In addition, Shasta Lake is considering membership and has inquired about the financial health of NCPA and *is* seeking information on that subject to present to their City Council. Mr. Howard indicated that bringing in new members and *the* termination of projects makes this a critical issue.

Mr. Hanks asked, "Will NCPA be looking at the CalPERS *pension* funding issue as well?" Mr. Howard indicated that NCPA plans to look into the CalPERS Pension issue next and would ***bring something back for the FY18*** budget.

The Finance Committee asked for further clarification on the strategy with labor contracts and Mr. Howard indicated that the unions had agreed to be a part of the team looking at strategies ***to address*** this issue. The next union contract begins in 2019.

Chairman Plass asked the Committee what they were comfortable with as far as a lower amortization ***period***. Mr. Hanks (Roseville) proposed a 10 year amortization, but to delay implementation until FY18. Chairman Plass (Healdsburg) supported this proposal. Ms. Pepper (SVP) wants to see new revenues realized, as well as reduced costs and could support a 15 year amortization beginning in FY18. Mr. Leska spoke for Alameda and indicated they could support the 15 year, FY18 proposal. Mr. Ayers (Lodi) could support 10 or 15 year amortization, but prefers 15 starting in FY18. Mr. Howard asked the Committee, if NCPA brings in new revenue would they be comfortable applying funds to additional amortization earlier than FY18? Mr. Howard then presented an idea to enable funding beginning in FY 2017 by using budget FY16 savings. There was concern about automatic application of budget savings and not solving the funding problem before beginning extra collections. Mr. Howard indicated that staff could propose use of budget savings from FY 2016 during the final billing settlements process in January 2017 and at time report on the status of efforts with the unions to determine strategies for capping the liability in the future. There was support of this idea and the following motion as made:

Motion: Recommend that the NCPA Commission approve the Retiree Medical Long-term funding plan as outlined below:

- Establish plan to reduce retiree medical liability including:
 - Formalize plan with Commission approval
 - Negotiate health care premiums to cap exposure over the next several years
 - Shorten amortization of unfunded liability from 28 years to 15 years beginning FY18
 - ARC funding goes from \$2.3 million to \$2.7 million
 - Consider using budget savings from FY16 to fund FY17 additional contribution of \$395k after staff report update on negotiations with labor (January 2017)
 - Consider using new services revenues to offset a portion of the additional funding each year
- Plan to conduct new Actuarial Valuation in FY 2017 and adjust plan as necessary

1st Gary Plass

2nd Monty Hanks

<i>Representative</i>	<i>Member Org</i>	<i>Vote</i>
Gary Plass, Chairman	Healdsburg	Yes
Bob Orbeta	Alameda	Absent
Jordan Ayers	Lodi	Yes
Monty Hanks	Roseville	Yes
Jan Pepper	Santa Clara	Yes

Voting Results: 4 Ayes, 0 Noes, 0 Abstain, 1 Absent

5. Discuss Financial Advisory Services Contract

PFM staff left the call during the following discussion. Ms. Stevener briefed members on the status of the financial advisory contract with PFM. There is one year left on the contract and it is at NCPA's option to extend for this last year. No proposed increase in fees, which is an annual retainer (fixed fee) plus expenses. Fees for individual bond deals are proposed separately. Staff is happy with the services. Committee members provided input and discussed alternatives. After discussion the following motion was made:

Motion: Motion to instruct staff to proceed with contract extension for one year with PFM for financial advisory services and plan to issue an RFP in 2017.

1st Jordan Ayers

2nd Jan Pepper

<i>Representative</i>	<i>Member Org</i>	<i>Vote</i>
Gary Plass, Chairman	Healdsburg	Yes
Bob Orbeta	Alameda	Absent
Jordan Ayers	Lodi	Yes
Monty Hanks	Roseville	Yes
Jan Pepper	Santa Clara	Yes

Voting Results: 4 Ayes, 0 Noes, 0 Abstain, 1 Absent

6. Discussion and Possible Action Regarding Selection of Auditors to Perform FY 2015-16 Financial Audit

Ms. Stevener discussed the status of the financial audit contract. As explained in the staff report sent out to the Committee, Moss Adams was selected in an RFP process in 2008. The contract was extended in 2011 and then again in 2014. During the 2014 extension discussion, the Committee asked that an annual review be conducted to consider the options. This would be the last year of the contract if we opt to stay with them for FY 2016. The other option is to issue an RFP and go through a formal selection process. Mr. Plass asked if auditors are doing a good job? Ms. Stevener said they provide excellent service and explained how staff and the review partner are changed every few years to have a fresh look at things.

After discussion, the following motion was made:

Motion: Instruct staff to stay with Moss Adams for the FY 2016 financial audit and go out for RFP next year for audit services.

1st Gary Plass

2nd Jordan Ayers

<i>Representative</i>	<i>Member Org</i>	<i>Vote</i>
Gary Plass, Chairman	Healdsburg	Yes
Bob Orbeta	Alameda	Absent
Jordan Ayers	Lodi	Yes
Monty Hanks	Roseville	Yes
Jan Pepper	Santa Clara	Yes

Voting Results: 4 Ayes, 0 Noes, 0 Abstain, 1 Absent

NEW BUSINESS

7. Next Finance Committee Meeting

The next regularly scheduled meeting is May 11, 2016 at 10:00 a.m.

CLOSED SESSION

8. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Chairman Plass and Mr. Dean took the Committee into closed session to discuss the initiation of litigation pursuant to paragraph (d) (4) of Govt. Code section 54956.9: One case.

OPEN SESSION

General Counsel Michael Dean reported there was no reportable action taken on item 8.

ADJOURNMENT

Meeting was adjourned at approximately 10:01 am.



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Commission Staff Report

AGENDA ITEM NO.: 8

Date: March 31, 2016
To: NCPA Commission
Subject: February 24, 2016 Legislative and Regulatory Affairs Committee Meeting Minutes

The attached Draft Minutes are being provided for information and to augment the oral Committee report.



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Minutes

Date: March 24, 2016
To: NCPA Legislative & Regulatory Affairs Committee
From: Carrie Pollo, Legislative and Regulatory Program Assistant
Subject: February 24, 2016 Legislative & Regulatory Affairs Committee Meeting Minutes

Item #1 – Opening Remarks & Introductions

Chair Bob Lingl, Mayor, City of Lompoc, called the meeting to order at 12:00 pm, followed by introductions of all in attendance. Participating via teleconference were Barry Leska and Madeline Deaton from Alameda Municipal Power, and Monica Padilla with the City of Palo Alto. Basil Wong and Nicolaus Procos with the Port of Oakland joined the conference call later during the meeting.

PUBLIC FORUM

No members of the public were present.

Item #2 – Approval of Minutes

Motion: A motion was made by Gary Plass, City of Healdsburg, and seconded by Roger Frith, City of Biggs, to approve the minutes from the December 2, 2015 regular meeting and the February 1, 2016 special meeting. All were in favor. The motion passed unanimously.

Item #3 – Committee Budget Workshop Discussion

Jane Cirrincione provided an overview, and review of the budget planning process, for the FY2017 Legislative and Regulatory Affairs Budget. The baseline budget is \$1.71 million, \$33,619 less than FY2016 (-1.9%), not including pass-throughs of \$445,000. The breakdown of the budget includes 44% for State and Federal Advocacy, 21% for Western Programs, 4% for Member Services, 6% for Key Coalitions, 22% for Legal, and 3% for miscellaneous.

Ms. Cirrincione outlined the key changes to the baseline budget compared to FY2016. Increases include State Legislative Tour at \$15,000, Capitol Day at \$6,000, staff development at \$5,000, More than Smart Working Group at \$5,000 and Memberships at \$1,131. The decreases include Public Benefits analytical tool at \$50,000, Western contract support at \$8,000, and travel (staff & member) at \$7,750. The net change is \$33,619 or 1.9% less than FY2016. NCPA Commission direction allows for a 2.4% maximum increase or \$41,901. The operating budget for FY2016 is \$1,745,894 with the proposed budget for FY2017 at \$1,712,275.

Motion: A motion was made by Gary Plass, City of Healdsburg, and seconded by Roger Frith, City of Biggs, to recommend approval of the Legislative and Regulatory Affairs FY2017 Budget to the full NCPA Commission at the April 21, 2016 Commission Meeting. The vote was taken by roll call: YES = Alameda, Biggs, Healdsburg, Lodi, Lompoc, Palo Alto, Redding, Roseville, Santa Clara, Truckee Donner PUD, and Ukiah. ABSENT = BART, Gridley, Port of Oakland and Plumas-Sierra. The motion passed.

Item #4 – State Legislative Issues Workshop

Mario De Bernardo reviewed state legislation, including: 1) AB 2339, net energy metering (NEM) with a 5% NEM Cap; 2) AB 2699, solar consumer protection; and 3) the bills regarding workforce development and wildfires. The NEM bill in its current form is very problematic from a local control perspective, so NCPA supports an alternative bill, amending the language, or killing the bill.

****** Chair Lingl, City of Lompoc, adjourned the meeting for 10 minutes at 1:50 pm ******
****** Chair Lingl reconvened the meeting at 2:00 pm ******

Item #5 – Regulatory Affairs Update

Scott Tomashefsky provided an overview of the regulatory issues, with regionalization of the California Independent System Operator (CAISO) being the biggest concern at this time. NCPA is expressing serious concerns about the CAISO's proposed schedule for the completion of studies related to a potential expansion to incorporate PacificCorp and possibly further. As well, NCPA has questioned the impact of such changes on California consumers.

Other highlights included the U.S. grid modernization initiative workshops, California Air Resources Board (CARB) Renewables Portfolio Standard (RPS) penalty authority regulations, and CARB and California Energy Commission (CEC) updates.

Item #6 – Member Services

Scott Tomashefsky also gave an update regarding Member Services. Highlights included the APPA DEED grant used to develop a web app to calculate the energy savings and rebates from proposed lighting retrofits, U.S. DOE/Lawrence Berkeley Lab – FLEXLAB program, the upstream LED rebate program, and development of a revised technical reference manual (TRM) update. The Annual Energy Efficiency Report (SB 1037) is due March 15.

Item #7 – Federal Legislative Report

Brent ten Pas, and Marty Kanner, from Kanner & Associates participating by phone, gave a federal update on the Senate Energy bill, which includes 30 controversial amendments, tax-exempt financing, fire funding reform, the California Drought bill and the APPA Legislative Rally.

Upcoming events include the APPA Legislative Rally at the Grand Hyatt in Washington, DC March 7 – 9, 2016, and the NCPA/NWPPA Federal Policy Conference at the Marriott Marquis in Washington, DC April 24 – 27, 2016. The deadline to register for the Federal Policy Conference is March 25, 2016.

Item #8 – Western Area Power Administration

Maury Kruth gave an update regarding Bureau of Reclamation's Central Valley Project Cost Allocation Study, CVP formula rate extension, Western's 2025 CVP Power Marketing Plan, Trinity River Water Release Reimbursement, and the Calpine closure of Sutter Energy Center.

Adjournment

The Legislative and Regulatory Affairs Committee meeting was moved to adjourn by Chair Lingl at 4:02 pm. All were in favor.



Commission Staff Report

DATE: March 22, 2016

COMMISSION MEETING DATE: March 31, 2016

SUBJECT: February 2016 Financial Report (Unaudited)

AGENDA CATEGORY: Consent

FROM: Sondra Ainsworth Treasurer-Controller	METHOD OF SELECTION:
Division: Administrative Services	N/A
	<i>If other, please describe:</i>

IMPACTED MEMBERS:

All Members	<input checked="" type="checkbox"/>	City of Lodi	<input type="checkbox"/>	City of Ukiah	<input type="checkbox"/>
Alameda Municipal Power	<input type="checkbox"/>	City of Lompoc	<input type="checkbox"/>	Plumas-Sierra REC	<input type="checkbox"/>
Bay Area Rapid Transit	<input type="checkbox"/>	City of Palo Alto	<input type="checkbox"/>	Port of Oakland	<input type="checkbox"/>
City of Biggs	<input type="checkbox"/>	City of Redding	<input type="checkbox"/>	Truckee Donner PUD	<input type="checkbox"/>
City of Gridley	<input type="checkbox"/>	City of Roseville	<input type="checkbox"/>	Other	<input type="checkbox"/>
City of Healdsburg	<input type="checkbox"/>	City of Santa Clara	<input type="checkbox"/>		<input type="checkbox"/>

If other, please specify.

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

RECOMMENDATION:

Approval by all members.

NOTICE:

The disbursements of the Northern California Power Agency for the month reported herein, will be approved at the March 31, 2016 meeting of the NCPA Commission. The following page is a summary of those disbursements.

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

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

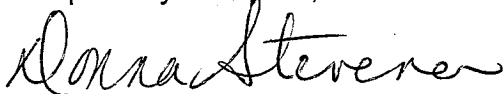
FISCAL IMPACT:

This report has no direct budget impact to the Agency.

ENVIRONMENTAL ANALYSIS:

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

Respectfully submitted,



for RANDY S. HOWARD
General Manager

SA/dec
Attachments

**NORTHERN CALIFORNIA POWER AGENCY
and ASSOCIATED POWER CORPORATIONS**

**Schedule of Disbursements
(Unaudited)**

For the Month of February 2016

Operations:

Geothermal	\$ 2,502,937
Hydroelectric	3,249,447
CT#1 Combustion Turbines	97,552
CT#2 STIG	530,404
Lodi Energy Center	5,242,237
NCPA Operating	<u>20,376,725</u>
Total	<u><u>\$ 31,999,302</u></u>

NORTHERN CALIFORNIA POWER AGENCY
 REPORT OF BUDGET VS. ACTUAL COST
 FOR THE PERIOD ENDED FEBRUARY 2016

PERCENT OF YEAR ELAPSED 67%

	This Month	Actual Year To-Date	FY 2016 Budget	% Used	
GENERATION RESOURCES					
NCPA Plants					
Hydroelectric					
Other Plant Cost	\$ 893,286	\$ 8,034,983	\$ 13,204,025	61%	
Debt Service (Net)	3,161,221	25,289,769	37,934,653	67%	
Annual Budget Cost	4,054,507	33,324,752	51,138,678	65%	
Geothermal					
Other Plant Cost	2,123,669	16,815,047	27,368,698	61%	
Debt Service (Net)	425,744	3,405,953	5,108,929	67%	
Annual Budget Cost	2,549,413	20,221,000	32,477,627	62%	
Combustion Turbine No. 1	168,754	1,710,607	2,877,315	59%	
Combustion Turbine No. 2 (Stig)					
Fuel and Pipeline Transport Charges	66,957	524,678	953,150	55%	
Other Plant Cost	128,952	1,261,783	1,798,534	70%	
Debt Service (Net)	473,293	3,786,343	5,679,515	67%	
Annual Budget Cost	669,202	5,572,804	8,431,199	66%	
Lodi Energy Center					
Fuel	509,035	19,415,319	49,851,536	39%	
Other Plant Cost	1,476,488	15,834,243	19,739,576	80%	(c)
Debt Service (Net)	2,203,974	17,631,790	26,440,994	67%	
Annual Budget Cost	4,189,497	52,881,352	96,032,106	55%	
Member Resources - Energy	3,344,754	26,263,528	39,011,876	67%	
Member Resources - Natural Gas	570,243	4,332,079	5,748,516	75%	(b)
Western Resources	1,627,112	15,436,149	29,537,384	52%	
Market Power Purchases	3,468,487	23,021,213	42,915,828	54%	
Load Aggregation Costs - ISO	11,803,020	132,687,462	238,603,172	56%	
Net GHG Obligations	1,183,890	3,103,080	3,029,825	102%	(a)
	33,628,879	318,554,026	549,803,526	58%	
TRANSMISSION					
Independent System Operator					
Grid Management Charge	25,139	2,048,669	3,393,692	60%	
Wheeling Access Charge	5,033,258	48,131,089	70,278,323	68%	
Ancillary Services	105,551	1,019,406	1,419,670	72%	(d)
Other Charges	341,423	(1,314,671)	920,067	-143%	
	5,505,371	49,884,493	76,011,752	66%	

NORTHERN CALIFORNIA POWER AGENCY
 REPORT OF BUDGET VS. ACTUAL COST
 FOR THE PERIOD ENDED FEBRUARY 2016

PERCENT OF YEAR ELAPSED 67%

	This Month	Actual Year To-Date	FY 2016 Budget	% Used
MANAGEMENT SERVICES				
Legislative & Regulatory				
Legislative Representation	126,255	1,043,903	1,821,212	57%
Regulatory Representation	39,085	421,868	767,394	55%
Western Representation	43,066	331,420	792,956	42%
Member Support Services	25,603	232,823	459,903	51%
Judicial Action	14,991	344,926	625,000	55%
Power Management				
System Control & Load Dispatch	370,523	3,062,022	5,585,170	55%
Forecasting, Planning, Prescheduling & Trading	142,701	1,313,231	2,478,635	53%
Industry Restructuring & Regulatory Affairs	22,466	182,648	403,758	45%
Contract Admin, Interconnection Svcs & External Affairs	57,499	526,251	1,052,202	50%
Green Power Project	511	4,604	36,418	13%
Gas Purchase Program	3,789	34,104	69,182	49%
Market Purchase Project	6,699	53,613	114,093	47%
Energy Risk Management	14,619	88,129	204,512	43%
Settlements	41,248	341,674	667,611	51%
Integrated Systems Support	8,918	103,216	532,705	19%
Participant Pass Through Costs	24,383	872,871	1,444,264	60%
Shared Services Pass Through	68	16,454	-	N/A
	942,424	8,973,757	17,055,015	53%
TOTAL ANNUAL BUDGET COST	40,076,674	377,412,276	642,870,293	59%
LESS: THIRD PARTY REVENUE				
Plant ISO Energy Sales	6,505,566	59,077,534	118,904,279	50%
Load Aggregation Energy Sales	5,710,369	96,496,535	178,771,257	54%
Ancillary Services Sales	268,432	3,628,826	4,078,239	89%
Transmission Sales	9,198	73,584	110,376	67%
Western Credits, Interest and Other Income	1,254,769	9,452,876	16,003,668	59%
	13,748,334	168,729,355	317,867,819	53%
NET ANNUAL BUDGET COST TO PARTICIPANTS	\$ 26,328,340	\$ 208,682,921	\$ 325,002,474	64%

(a) Purchases made several months in advance. Percent of budget used expected to level off throughout the year.

(b) Cost per MWh higher than budgeted.

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

(d) Variance due to greater than anticipated ISO A/S Charges. See NCPA Annual budget, FY 2016, Section E for the underlying budget assumptions.

COMBINED STATEMENTS OF NET POSITION

NORTHERN CALIFORNIA POWER AGENCY
AND ASSOCIATED POWER CORPORATIONS

UNAUDITED

	February 29,	
	2016	2015
ASSETS	(in thousands)	
CURRENT ASSETS		
Cash and cash equivalents	\$ 35,708	\$ 34,959
Investments	29,543	37,371
Accounts receivable		
Participants	-	35
Other	171	1,784
Interest receivable	256	82
Inventory and supplies - at average cost	8,545	7,969
Prepaid expenses	1,161	223
TOTAL CURRENT ASSETS	75,384	82,423
RESTRICTED ASSETS		
Cash and cash equivalents	47,268	64,924
Investments	162,779	133,157
Interest receivable	304	219
TOTAL RESTRICTED ASSETS	210,351	198,300
ELECTRIC PLANT		
Electric plant in service	1,501,000	1,499,315
Less: accumulated depreciation	(901,853)	(871,282)
	599,147	628,033
Construction work-in-progress	100	333
TOTAL ELECTRIC PLANT	599,247	628,366
OTHER ASSETS		
Regulatory assets	249,169	196,961
TOTAL ASSETS	1,134,151	1,106,050
DEFERRED OUTFLOWS OF RESOURCES		
Excess cost on refunding of debt	56,937	64,605
Pension contribution	5,310	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	62,247	64,605
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 1,196,398	\$ 1,170,655

COMBINED STATEMENTS OF NET POSITION

NORTHERN CALIFORNIA POWER AGENCY
AND ASSOCIATED POWER CORPORATIONS

UNAUDITED

	February 29,	
	2016	2015
LIABILITIES	(in thousands)	
CURRENT LIABILITIES		
Accounts payable	\$ 20,865	\$ 21,214
Member advances	993	993
Operating reserves	23,356	19,944
Current portion of long-term debt	36,730	35,160
Accrued interest payable	7,988	8,227
TOTAL CURRENT LIABILITIES	89,932	85,538
NON-CURRENT LIABILITIES		
Net pension liability	57,260	-
Operating reserves and other deposits	133,192	121,551
Interest rate swap liability	19,654	19,788
Long-term debt, net	787,883	827,454
TOTAL NON-CURRENT LIABILITIES	997,989	968,793
TOTAL LIABILITIES	1,087,921	1,054,331
DEFERRED INFLOWS OF RESOURCES		
Regulatory credits	74,531	78,602
Pension earnings	4,947	--
TOTAL DEFERRED INFLOWS OF RESOURCES	79,478	78,602
NET POSITION		
Net investment in capital assets	(59,811)	(59,097)
Restricted	69,986	67,849
Unrestricted	18,824	28,970
TOTAL NET POSITION	28,999	37,722
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 1,196,398	\$ 1,170,655

COMBINED STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION

NORTHERN CALIFORNIA POWER AGENCY
AND ASSOCIATED POWER CORPORATIONS

UNAUDITED

	Eight Months Ended February 29,	
	2016	2015
	(in thousands)	
SALES FOR RESALE		
Participants	\$ 221,329	\$ 188,555
Other Third-Party	96,723	94,505
TOTAL SALES FOR RESALE	318,052	283,060
OPERATING EXPENSES		
Purchased power	135,795	96,924
Operations	49,075	58,976
Transmission	52,008	40,689
Depreciation	20,470	21,011
Maintenance expenses	14,422	12,071
Administrative and general	13,274	14,993
TOTAL OPERATING EXPENSES	285,044	244,664
NET OPERATING REVENUES	33,008	38,396
OTHER (EXPENSES) REVENUES		
Interest expense	(32,073)	(34,031)
Interest income	1,460	950
Other	4,316	3,466
TOTAL OTHER EXPENSES	(26,297)	(29,615)
FUTURE RECOVERABLE AMOUNTS	(491)	2,043
REFUNDS TO PARTICIPANTS	(7,211)	(5,335)
INCREASE (DECREASE) IN NET POSITION	(991)	5,489
NET POSITION, Beginning of year	29,990	32,233
NET POSITION, Period ended	\$ 28,999	\$ 37,722

OTHER FINANCIAL INFORMATION
 COMBINING STATEMENT OF NET POSITION
 NORTHERN CALIFORNIA POWER AGENCY
 AND ASSOCIATED POWER CORPORATIONS
 (000's omitted)

February 29, 2016

	GENERATING & TRANSMISSION RESOURCES										Other Agency	Combined
	Geothermal	Hydroelectric	Multiple Capital Facilities		CT No. One	Lodi Energy Center	Transmission No. One	Purchased Power & Transmission	Associated Member Services			
			1	\$								
CURRENT ASSETS												
Cash and cash equivalents	1	\$	1	\$	1	\$	71	\$	189	\$	35,445	\$
Investments	-	-	-	-	-	-	-	-	-	-	29,543	29,543
Accounts receivable	-	-	-	-	-	-	-	-	-	-	-	-
Participants	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	5	-	-	-	-	-	-	166	-	-	171
Interest receivable	-	-	-	-	-	46	-	-	77	-	133	256
Inventory and supplies - at average cost	3,796	1,079	642	1,402	1,626	78	-	-	-	-	-	8,545
Prepaid expenses	-	14	-	-	-	-	-	-	-	-	1,069	1,161
Due from Agency and other programs*	13,750	10,131	1,905	(852)	16,152	15,053	-	15,053	5,023	-	(61,162)	-
TOTAL CURRENT ASSETS	17,547	11,229	2,548	551	17,973	36,103	-	20,857	5,212	15,296	5,028	75,384
RESTRICTED ASSETS												
Cash and cash equivalents	3,068	2,197	55	-	11,900	-	-	2,213	-	27,835	-	47,268
Investments	19,975	44,058	3,894	-	24,182	-	-	18,644	-	52,026	-	162,779
Interest receivable	34	53	5	-	21	-	-	-	-	191	-	304
TOTAL RESTRICTED ASSETS	23,077	46,308	3,954	-	36,103	-	-	20,857	-	80,052	-	210,351
ELECTRIC PLANT												
Electric plant in service	569,061	393,980	64,826	36,245	423,413	7,736	-	-	508	5,231	-	1,501,000
Less: accumulated depreciation	(526,839)	(239,901)	(43,207)	(34,057)	(47,467)	(7,726)	-	-	(306)	(2,350)	-	(901,853)
	42,222	154,079	21,619	2,188	375,946	10	-	-	202	2,881	-	599,147
Construction work-in-progress	-	-	-	-	95	-	-	-	-	5	-	100
TOTAL ELECTRIC PLANT	42,222	154,079	21,619	2,188	376,041	10	-	-	202	2,886	-	599,247
OTHER ASSETS												
Regulatory assets	2,317	158,138	13,591	-	18,235	(10)	-	-	-	56,898	-	249,160
DEFERRED OUTFLOWS OF RESOURCES												
Excess cost on refunding of debt	-	54,614	2,323	-	-	-	-	-	-	-	-	56,937
Pension contribution	-	-	-	-	-	-	-	-	-	5,310	-	5,310
TOTAL DEFERRED OUTFLOWS OF RESOURCES	-	54,614	2,323	-	-	-	-	-	-	5,310	-	62,247
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	85,163	424,368	44,035	2,739	448,352	10	-	36,153	5,414	150,174	-	1,196,398

* Eliminated in Combination

OTHER FINANCIAL INFORMATION
COMBINING STATEMENT OF NET POSITION
NORTHERN CALIFORNIA POWER AGENCY
AND ASSOCIATED POWER CORPORATIONS
(000's omitted)

February 29, 2016

	GENERATING & TRANSMISSION RESOURCES										Combined
	Geothermal	Hydroelectric	Multiple Capital Facilities	CT No. One	Lodi Energy Center	Transmission	Purchased Power & Transmission	Associated Member Services	Other Agency		
LIABILITIES											
CURRENT LIABILITIES											
Accounts payable	\$ 249	\$ 261	\$ -	\$ -	\$ 528	\$ -	\$ 11,184	\$ -	\$ 8,643	\$ 20,865	
Member advances	791	-	-	-	-	-	-	202	-	993	
Operating reserves	7,515	250	513	250	14,828	-	-	-	-	23,356	
Current portion of long-term debt	3,530	20,050	3,670	-	9,480	-	-	-	-	36,730	
Accrued interest payable	253	3,338	164	-	4,233	-	-	-	-	7,988	
TOTAL CURRENT LIABILITIES	12,338	23,899	4,347	250	29,069	-	11,184	202	8,643	89,932	
NON-CURRENT LIABILITIES											
Net pension liability	-	-	-	-	-	-	-	-	-	57,260	
Operating reserves and other deposits	15,033	14,200	-	-	5,491	-	20,934	1,371	76,163	133,192	
Interest rate swap liability	-	19,654	-	-	-	-	-	-	-	19,654	
Long-term debt, net	31,084	356,401	38,427	-	361,971	-	-	-	-	787,883	
TOTAL NON-CURRENT LIABILITIES	46,117	390,255	38,427	-	367,462	-	20,934	1,371	133,423	997,989	
TOTAL LIABILITIES	58,455	414,154	42,774	250	396,531	-	32,118	1,573	142,066	1,087,921	
DEFERRED INFLOWS OF RESOURCES											
Regulatory credits	20,468	3,934	1,075	2,314	43,507	-	-	203	3,030	74,531	
Pension earnings	-	-	-	-	-	-	-	-	4,947	4,947	
TOTAL DEFERRED INFLOWS OF RESOURCES	20,468	3,934	1,075	2,314	43,507	-	-	203	7,977	79,478	
NET POSITION											
Net investment in capital assets	(5,874)	(27,685)	(5,618)	-	(20,654)	-	-	-	-	(59,811)	
Restricted	6,919	38,982	3,790	-	15,089	-	-	1,314	3,892	69,986	
Unrestricted	5,195	(5,017)	2,014	175	13,859	-	4,035	2,324	(3,761)	18,824	
TOTAL NET POSITION	6,240	6,280	186	175	8,314	-	4,035	3,638	131	28,999	
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 85,163	\$ 424,368	\$ 44,035	\$ 2,739	\$ 448,352	\$ -	\$ 36,153	\$ 5,414	\$ 150,174	\$ 1,196,398	

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 Eight Months Ended February 29, 2016

	GENERATING & TRANSMISSION RESOURCES										Combined	
	Geothermal	Hydroelectric	Multiple Capital Facilities	CT No. One	Lodi Energy Center	Transmission	Purchased Power & Transmission	Associated Member Services	Other Agency			
SALES FOR RESALE												
Participants	\$ 3,819	\$ 27,402	\$ 4,927	\$ 1,742	\$ 21,129	\$ -	\$ 148,915	\$ 13,311	\$ 84	\$ 221,329		
Other third-party	21,245	8,179	302	537	32,462	-	33,998	-	-	96,723		
TOTAL SALES FOR RESALE	25,064	35,581	5,229	2,279	53,591	-	182,913	13,311	84	318,052		
OPERATING EXPENSES												
Purchased power	-	-	-	-	3,935	-	131,860	-	-	135,795		
Operations	9,271	2,498	767	687	23,687	-	4,332	7,833	-	49,075		
Transmission	677	417	48	(39)	405	-	50,497	3	-	52,008		
Depreciation	2,626	6,283	1,474	119	9,734	11	-	29	194	20,470		
Maintenance expenses	5,546	2,793	618	667	4,771	-	-	27	-	14,422		
Administrative and general	3,246	2,088	391	481	3,257	-	-	4,103	(292)	13,274		
Intercompany (sales) purchases, net*	(325)	106	44	70	148	-	-	(43)	-	-		
TOTAL OPERATING EXPENSES	21,041	14,185	3,342	1,985	45,937	11	186,689	11,952	(98)	285,044		
NET OPERATING REVENUES	4,023	21,396	1,887	294	7,654	(11)	(3,776)	1,359	182	33,008		
OTHER (EXPENSES) REVENUES												
Interest expense	(987)	(18,926)	(1,335)	-	(10,825)	-	-	-	-	(32,073)		
Interest income	191	214	17	-	232	-	269	24	513	1,460		
Other	45	8	476	-	3,461	-	-	137	189	4,316		
TOTAL OTHER (EXPENSES) REVENUES	(751)	(18,704)	(842)	-	(7,132)	-	269	161	702	(26,297)		
FUTURE RECOVERABLE AMOUNTS												
	(687)	(249)	(1,029)	-	1,845	11	-	-	(382)	(491)		
REFUNDS TO PARTICIPANTS												
INCREASE (DECREASE) IN NET POSITION	(1,953)	(3,258)	8	340	1,415	-	(239)	(3,073)	(451)	(7,211)		
	632	(815)	24	634	3,782	-	(3,746)	(1,555)	51	(991)		
NET POSITION, Beginning of year	5,608	7,095	162	(459)	4,532	-	7,781	5,191	80	29,990		
NET POSITION, Period ended	\$ 6,240	\$ 6,280	\$ 186	\$ 175	\$ 8,314	\$ -	\$ 4,035	\$ 3,638	\$ 131	\$ 28,999		

* Eliminated in Combination

NORTHERN CALIFORNIA POWER AGENCY & ASSOCIATED POWER CORPORATIONS
 AGED ACCOUNTS RECEIVABLE
 February 29, 2016

Status	Participant / Customer	Description	Amount
CURRENT			\$ 171,366
PAST DUE:			
1 - 30			
31 - 60			
61 - 90			
91 - 120			
Over 120 Days			
PARTICIPANT and OTHER RECEIVABLES (net)			\$ 171,366

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

#11



Commission Staff Report

DATE: March 22, 2016

COMMISSION MEETING DATE: March 31, 2016

SUBJECT: Treasurer's Report for the Month Ended February 29, 2016

AGENDA CATEGORY: Consent

FROM: Sondra Ainsworth Treasurer-Controller Division: Administrative Services	METHOD OF SELECTION: N/A <i>If other, please describe:</i>
--	---

IMPACTED MEMBERS:

All Members	<input checked="" type="checkbox"/>	City of Lodi	<input type="checkbox"/>	City of Ukiah	<input type="checkbox"/>
Alameda Municipal Power	<input type="checkbox"/>	City of Lompoc	<input type="checkbox"/>	Plumas-Sierra REC	<input type="checkbox"/>
Bay Area Rapid Transit	<input type="checkbox"/>	City of Palo Alto	<input type="checkbox"/>	Port of Oakland	<input type="checkbox"/>
City of Biggs	<input type="checkbox"/>	City of Redding	<input type="checkbox"/>	Truckee Donner PUD	<input type="checkbox"/>
City of Gridley	<input type="checkbox"/>	City of Roseville	<input type="checkbox"/>	Other	<input type="checkbox"/>
City of Healdsburg	<input type="checkbox"/>	City of Santa Clara	<input type="checkbox"/>		<input type="checkbox"/>

If other, please specify.

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

RECOMMENDATION:

Approval by all members.

BACKGROUND:

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

Cash - At month end cash totaled \$25,654,079 of which approximately \$214,803 was applicable to Special and Reserve Fund Deposits, \$1,917 to Debt Service and \$25,437,359 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 \$250,816,790 at month end. The current market value of the portfolio totaled \$251,532,060.

The overall portfolio had a combined weighted average interest rate of 0.896% with a bond equivalent yield (yield to maturity) of 0.909%. Investments with a maturity greater than one year totaled \$148,749,000. February maturities totaled \$8 million and monthly receipts totaled \$30 million. During the month \$17 million was invested.

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

Interest Rates - During the month, rates on 90 day T-Bills increased 1 basis point (from 0.32% to 0.33%) and rates on one year T-Bills increased 9 basis points (from 0.47% to 0.56%).

To the best of my knowledge and belief, all securities held by NCPA as of February 29, 2016 are in compliance with the Agency's investment policy. There are adequate cash flow and investment maturities to meet next month's cash requirements.

FISCAL IMPACT:

This report has no direct budget impact to the Agency.

ENVIRONMENTAL ANALYSIS:

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

Respectfully submitted,



for RANDY S. HOWARD
General Manager

Attachments

SR: 129:16

NORTHERN CALIFORNIA POWER AGENCY

TREASURER'S REPORT

FEBRUARY 29, 2016

TABLE OF CONTENTS

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DETAIL REPORT OF INVESTMENTS	APPENDIX

Northern California Power Agency
Treasurer's Report
Cash & Investment Balance
February 29, 2016

	CASH	INVESTMENTS	TOTAL	PERCENT
NCPA FUNDS				
Operating	\$ 22,142,843	\$ 63,237,848	85,380,691	30.88%
Special Deposits	3,292,467	1	3,292,468	1.19%
Construction	2,049	4,858,702	4,860,751	1.76%
Debt Service	1,917	32,161,804	32,163,721	11.63%
Special & Reserve	214,803	150,558,435	150,773,238	54.53%
	<u>\$ 25,654,079</u>	<u>\$ 250,816,790</u>	<u>\$ 276,470,869</u>	<u>100.00%</u>

Portfolio Investments at Market Value

\$ 251,532,060

NOTE A -Investment amounts shown at book carrying value.

Northern California Power Agency
Treasurer's Report
Cash Activity Summary
February 29, 2016

	RECEIPTS			EXPENDITURES			CASH
	INTEREST		INVESTMENTS	INVESTMENTS		INTER-COMPANY/	INCREASE /
	OPS/CONSTR	(NOTE B)	(NOTE A)	OPS/CONSTR	(NOTE B)	FUND TRANSFERS	(DECREASE)
NCPA FUNDS							
Operating	\$ 26,885,639	\$ 1,306	\$ 734,527	\$ (19,567,654)	\$ (889,563)	\$ (10,571,328)	\$ (3,407,073)
Special Deposits	3,003,770	24	-	(6,593,960)	-	4,772,029	1,181,863
Construction	-	(846)	-	-	(2,450,501)	-	(2,451,347)
Debt Service	-	15	474,409	(1,003,818)	(7,517,154)	6,011,997	(2,034,551)
Special & Reserve	65,061	195,589	6,606,302	-	(6,605,009)	(212,698)	49,245
	<u>\$ 29,954,470</u>	<u>\$ 196,088</u>	<u>\$ 7,815,238</u>	<u>\$ (27,165,432)</u>	<u>\$ (17,462,227)</u>	<u>\$ -</u>	<u>\$ (6,661,863)</u>

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
February 29, 2016**

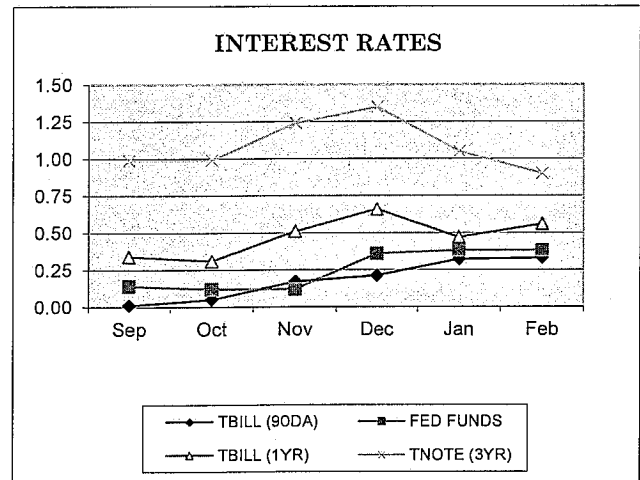
	PURCHASED	SOLD OR MATURED	(NON-CASH)	(NON-CASH)	INVESTMENTS	
			DISC/(PREM) AMORT	GAIN/(LOSS) ON SALE	TRANSFERS	INCREASE / (DECREASE)
NCPA FUNDS						
Operating	\$ 889,563	\$ (734,527)	\$ (3,174)	\$ -	\$ -	\$ 151,862
Special Deposits		-	-	-	-	-
Construction	2,450,501	-	(406)	-	-	2,450,095
Debt Service	7,517,154	(474,409)	8,169	-	-	7,050,914
Special & Reserve	6,605,009	(6,606,302)	(4,043)	(1,881)	-	(7,217)
	<u>\$ 17,462,227</u>	<u>\$ (7,815,238)</u>	<u>\$ 546</u>	<u>\$ (1,881)</u>	<u>\$ -</u>	<u>\$ 9,645,654</u>
Less Non- Cash Activity						
Disc/(Prem) Amortization & Gain/(Loss) on Sale						<u>1,335</u>
Net Change in Investment --Before Non-Cash Activity						<u>\$ 9,646,989</u>

NOTE A -Investment amounts shown at book carrying value.

**Northern California Power Agency
Interest Rate/Yield Analysis
February 28, 2016**

	<u>WEIGHTED AVERAGE INTEREST RATE</u>	<u>BOND EQUIVALENT YIELD</u>
OVERALL COMBINED	<u>0.896%</u>	<u>0.909%</u>
OPERATING FUNDS:	0.880%	0.823%
PROJECTS:		
Geothermal	1.092%	1.107%
Capital Facilities	1.148%	1.524%
Hydroelectric	1.064%	1.098%
Lodi Energy Center	0.944%	0.938%

KEY INTEREST RATES		
	<u>CURRENT</u>	<u>PRIOR YEAR</u>
Fed Fds (Ovrnight)	0.38%	0.12%
T-Bills (90da.)	0.33%	0.02%
Agency Disc (90da.)	0.40%	0.06%
T-Bills (1yr.)	0.56%	0.22%
Agency Disc (1yr.)	0.63%	0.24%
T-Notes (3yr.)	0.90%	1.01%



**Northern California Power Agency
Total Portfolio
Investment Maturities Analysis
February 29, 2016**

Type	0-7 Days	8-90 Days	91-180 Days	181-270 Days	271-360 Days	1-5 Years	6-10 Years	Total	Percent
US Government Agencies	\$0	\$15,113	\$27,082	\$0	\$865	\$143,378	\$5,371	\$191,809	70.34%
US Bank Trust Money Market	3,426							3,426	1.26%
Commercial Paper	5,000							5,000	1.83%
Investment Trusts (LAIF)	50,046							50,046	18.35%
U.S.Treasury Market Acct. *	22,409							22,409	8.22%
U.S.Treasury Bill								0	0.00%
Certificates of Deposit		10						10	0.00%
Total Dollars	\$80,881	\$15,123	\$27,082	\$0	\$865	\$143,378	\$5,371	\$272,700	100.00%
Total Percents	29.66%	5.55%	9.93%	0.00%	0.32%	52.58%	1.97%	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
02/29/2016

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	5,000,000	0.100	11/26/2014	5,000,000		1	0.100	5,000,000	SYS70101	70101	5,000,000
Local Agency Investm	LAIF	13,166,615	0.367	07/01/2013	13,166,615		1	0.367	13,166,615	SYS70000	70000	13,166,615
Union Bank of Califo	UBOC	105,110	0.002	07/01/2013	105,110		1	0.002	105,110	SYS70014	70014	105,110
US Bank	USB	22,142,841	0.001	06/30/2013	22,142,841		1	0.001	22,142,841	SYS70050	70050	22,142,841
US Bank	USB	10,000	0.050	01/07/2016	10,000	04/07/2016	37	0.050	10,000	SYS30298	30298	10,000
Federal Farm Credit	UBOC	3,625,000	1.290	12/21/2015	3,624,948	11/19/2018	993	1.300	3,654,573	3133EFPJ0	26280	3,625,019
Federal Home Loan Mt	UBOC	9,870,000	1.750	06/09/2015	9,983,900	05/30/2019	1,185	1.450	10,067,005	3137EADG1	26231	9,963,046
Federal Home Loan Mt	UBOC	7,750,000	1.625	09/30/2015	7,750,000	03/30/2020	1,490	1.625	7,752,325	3134G7G88	26259	7,750,000
Federal National Mtg	UBOC	3,205,000	1.600	04/29/2015	3,205,000	04/29/2020	1,520	1.600	3,209,519	3136G2GH4	26224	3,205,000
Fund Total and Average		\$ 64,875,566	0.696		\$ 64,988,414		490	0.650	\$ 65,107,988			\$ 64,967,631

MPP GHG Auction Acct

Local Agency Investm		188,811	0.367	07/01/2013	188,811		1	0.367	188,811	SYS70045	70045	188,811
Fund Total and Average		\$ 188,811	0.367		\$ 188,811		1	0.367	\$ 188,811			\$ 188,811

SCPA Balancing Account

Local Agency Investm	LAIF	1,504,767	0.367	07/01/2013	1,504,767		1	0.367	1,504,767	SYS70022	70022	1,504,767
Union Bank of Califo	UBOC	4,506	0.005	07/01/2013	4,506		1	0.005	4,506	SYS70023	70023	4,506
US Bank	USB	0	0.000	07/01/2013	0		1	0.000	0	SYS70058	70058	0
Federal Home Loan Ba	UBOC	4,510,000	1.000	04/27/2015	4,510,000	04/27/2018	787	1.000	4,505,535	3130A55T2	26223	4,510,000
Federal National Mtg	UBOC	3,962,000	1.625	12/18/2014	4,000,630	11/27/2018	1,001	1.369	4,030,424	3135GOYT4	26187	3,988,842
Federal Home Loan Ba	UBOC	5,070,000	1.625	12/28/2015	5,070,000	06/28/2019	1,214	1.625	5,071,166	3130A6VN4	26281	5,070,000
Federal Home Loan Mt	UBOC	5,075,000	1.700	10/28/2015	5,075,000	10/28/2020	1,702	1.700	5,075,812	3134G73K5	26271	5,075,000
Fund Total and Average		\$ 20,126,273	1.410		\$ 20,164,903		1108	1.359	\$ 20,192,210			\$ 20,163,115

General Operating Reserve

Local Agency Investm	LAIF	27,796,003	0.367	07/01/2013	27,796,003		1	0.367	27,796,003	SYS70000	70002	27,796,003
Union Bank of Califo	UBOC	40,159	0.002	07/01/2013	40,159		1	0.002	40,159	SYS70019	70019	40,159
US Bank	USB	0	0.000	07/01/2013	0		1	0.000	0	SYS70051	70051	0
Federal Home Loan Mt	UBOC	4,995,000	0.500	01/24/2014	4,994,251	05/13/2016	73	0.506	4,995,799	3137EADQ9	26085	4,994,935
Federal National Mtg	UBOC	3,263,000	0.750	12/16/2014	3,261,466	04/20/2017	415	0.770	3,263,783	3135GOZB2	26186	3,262,257
Federal Farm Credit	UBOC	7,305,000	0.770	12/05/2012	7,305,000	06/05/2017	461	0.770	7,305,511	3133EC5L4	25942	7,305,000
Federal National Mtg	UBOC	10,490,000	0.900	11/27/2012	10,490,000	11/27/2017	636	0.900	10,478,146	3136G07M7	25934	10,490,000
Federal National Mtg	UBOC	5,970,000	1.625	12/23/2014	6,009,701	11/27/2018	1,001	1.450	6,073,102	3135GOYT4	26188	5,997,684



Northern California Power Agency
Treasurer's Report

02/29/2016

General Operating Reserve

Issuer	Trustees / Custodian	Stated Value	Interest Rate	Purchase Date	Purchased Price	Maturity Date	Days to Maturity	Bond* Equiv Yield	Market Value	CUSIP	Investment #	Carrying Value
Federal Farm Credit	UBOC	9,376,000	1.420	10/22/2015	9,376,000	10/22/2019	1,330	1.420	9,376,094	3133EFLB1	26270	9,376,000
Federal National Mtg	UBOC	4,982,000	1.750	08/28/2015	5,047,364	11/26/2019	1,365	1.430	5,082,088	3135G0ZY2	26246	5,039,536
Federal Farm Credit	UBOC	1,301,000	1.850	06/08/2015	1,301,000	06/08/2020	1,560	1.850	1,301,976	3133EEU65	26229	1,301,000
Federal Farm Credit	UBOC	4,260,000	1.680	10/29/2015	4,260,000	10/29/2020	1,703	1.680	4,249,009	3133EFMG9	26272	4,260,000
Fund Total and Average		\$ 79,778,162	0.897		\$ 79,880,944		581	0.865	\$ 79,961,670			\$ 79,862,574
GRAND TOTALS:		\$ 164,968,812	0.880		\$ 165,223,072		609	0.840	\$ 165,450,679.			\$ 165,172,131

*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 02/29/2016

- Investment #25934 - FNMA - Callable quarterly.
- Investment #25942 - FFCB - Callable anytime.
- Investment #26223 - FHLMC - Callable on 4/27/2017 Only.
- Investment #26224 - FHLMC - Callable on 4/29/2016 Only.
- Investment #26229 - FFCB - Callable 6/8/16, then anytime
- Investment #26259 - FHLMC - Callable quarterly.
- Investment #26270 - FFCB - Callable anytime.
- Investment #26271 - FHLMC - Callable quarterly.
- Investment #26272 - FFCB - Callable anytime.
- Investment #26281 - FHLB - Callable 3/28/16, then anytime.



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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 Mt	USBT	873,000	0.250	06/02/2015	870,824	05/26/2016	86	0.253	872,267	313396XH1	26226	872,479
Fund Total and Average		\$ 873,000	0.250	\$ 870,824		86		0.254	\$ 872,267			\$ 872,479
Geothermal Debt Service												
Federal Home Loan Mt	USBT	242,000	0.490	12/28/2015	241,391	06/30/2016	121	0.498	241,700	313396YU1	26284	241,601
Federal Home Loan Mt	USBT	21,000	0.370	02/26/2016	20,973	06/30/2016	121	0.375	20,974	313396YU1	26306	20,974
Federal Home Loan Ba	USBT	325,000	0.350	02/26/2016	325,601	07/01/2016	122	0.355	325,579	313384YV5	26305	325,613
Federal National Mtg	USBT	992,000	0.390	01/27/2016	990,324	07/01/2016	122	0.396	990,720	313588YV1	26293	990,689
Fund Total and Average		\$ 1,581,000	0.397	\$ 1,578,289		122		0.403	\$ 1,578,973			\$ 1,578,877

Geo 2012A Debt Service

Federal Home Loan Mt	USBT	262,000	0.490	12/28/2015	261,340	06/30/2016	121	0.498	261,675	313396YU1	26285	261,569
Federal Home Loan Mt	USBT	79,000	0.370	02/26/2016	78,899	06/30/2016	121	0.375	78,902	313396YU1	26307	78,902
Federal National Mtg	USBT	79,000	0.390	01/27/2016	78,866	07/01/2016	122	0.396	78,898	313588YV1	26292	78,896
Fund Total and Average		\$ 420,000	0.449	\$ 419,105		121		0.456	\$ 419,475			\$ 419,367

Geothermal Special Reserve

Local Agency Investm	LAIF	0	0.356	07/01/2013	0		1	0.356	0	SYS70032	70032	0
Union Bank of Calif	UBOC	0	0.002	07/01/2013	0		1	0.002	0	SYS70015	70015	0
US Bank	USB	0	0.000	07/01/2013	0		1	0.000	0	SYS70063	70063	0
Federal Home Loan Mt	UBOC	1,500,000	1.150	02/26/2016	1,500,000	11/26/2018	1,000	1.150	1,499,460	3134G8KVO	26302	1,500,000
Fund Total and Average		\$ 1,500,000	1.150	\$ 1,500,000		1000		1.150	\$ 1,499,460			\$ 1,500,000

Geo Decommissioning Reserve

Local Agency Investm	LAIF	2,969,117	0.367	07/01/2013	2,969,117		1	0.367	2,969,117	SYS70027	70027	2,969,117
Union Bank of Calif	UBOC	67,739	0.002	07/01/2013	67,739		1	0.002	67,739	SYS70034	70034	67,739
US Bank	USB	0	0.000	07/01/2013	0		1	0.000	0	SYS70059	70059	0
Federal National Mtg	UBOC	4,128,000	0.625	01/24/2014	4,129,569	08/26/2016	178	0.635	4,127,794	3135G0YE7	26084	4,128,295
Federal Home Loan Mt	UBOC	865,000	0.625	12/20/2012	865,000	12/05/2016	279	0.624	864,239	3134G3Z37	25946	865,000
Federal Farm Credit	UBOC	5,488,000	1.900	08/28/2015	5,498,976	08/24/2020	1,637	1.857	5,512,202	3133EFAR8	26247	5,497,858
Fund Total and Average		\$ 13,517,856	1.083	\$ 13,530,401		738		1.069	\$ 13,541,091			\$ 13,528,009



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GEO Debt Service Reserve 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
Federal Home Loan Mt	USBT	1,109,000	1.750	06/02/2015	1,125,979	05/30/2019	1,185	1.354	1,131,136	3137EADG1	26228	1,122,803
Federal Home Loan Mt	USBT	2,515,000	1.250	02/27/2015	2,483,839	10/02/2019	1,310	1.530	2,520,432	3137EADM8	26197	2,490,693
Fund Total and Average		\$ 3,624,000	1.405		\$ 3,609,818		1271	1.476	\$ 3,651,568			\$ 3,613,496

Geo 2012A DSR Account

Federal Home Loan Ba	USB	1,500,000	1.750	09/29/2015	1,500,000	09/29/2020	1,673	1.750	1,500,045	3130A6HQ3	26261	1,500,000
Fund Total and Average		\$ 1,500,000	1.750		\$ 1,500,000		1673	1.750	\$ 1,500,045			\$ 1,500,000
GRAND TOTALS:		\$ 23,015,866	1.092		\$ 23,008,437		821	1.095	\$ 23,062,879.			\$ 23,012,228

*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 Trustees/ Custodian Statements or bid prices from the Wall Street Journal as of 02/29/2016
Investment #26247 - FHLLB - Callable 8/24/16, then any time
Investment #26261 - FHLLB - Callable any time
Investment #26302 - FHLLMC - Callable 5/26/16, then quarterly.



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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 Mt	USBT	473,000	0.450	01/27/2016	471,912	07/29/2016	150	0.457	472,253	313396ZZ9	26295	472,113
Federal Home Loan Mt	USBT	1,507,000	0.420	02/09/2016	1,503,994	07/29/2016	150	0.426	1,504,619	313396ZZ9	26301	1,504,363
Federal National Mtg	USBT	473,000	0.410	02/26/2016	472,154	08/01/2016	153	0.416	472,158	313568AA7	26309	472,176
Fund Total and Average		\$ 2,453,000	0.424		\$ 2,448,060		151	0.431	\$ 2,449,030			\$ 2,448,652
Cap. Fac. Debt Svc Reserve												
Federal Home Loan Mt	USB	1,443,000	2.375	02/13/2012	1,447,430	01/13/2022	2,144	2.340	1,510,460	3137EADB2	25845	1,445,621
Fund Total and Average		\$ 1,443,000	2.375		\$ 1,447,430		2144	2.340	\$ 1,510,460			\$ 1,445,621
GRAND TOTALS:		\$ 3,896,000	1.148		\$ 3,895,490		891	1.139	\$ 3,959,490.			\$ 3,894,273

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 Current Market Value is based on prices from Trustee/ Custodian Statements or bid prices from the Wall Street Journal as of 02/29/2016



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Capital Dev. Reserve Hydro

Issuer	Trustees / Custodian	Stated Value	Interest Rate	Purchase Date	Purchased Price	Maturity Date	Days to Maturity	Bond* Equity Yield	Market Value	CUSIP	Investment #	Carrying Value
Local Agency Investm	LAIF	2,042,503	0.367	07/01/2013	2,042,503		1	0.367	2,042,503	SYST0028	70028	2,042,503
Union Bank of Calif	UBOC	21,646	0.002	07/01/2013	21,646		1	0.002	21,646	SYST0031	70031	21,646
US Bank	USB	0	0.000	07/01/2013	0		1	0.000	0	SYST0052	70052	0
Federal Home Loan Ba	UBOC	3,575,000	1.100	12/29/2015	3,575,000	12/29/2017	668	1.100	3,577,324	3130A6UA3	26283	3,575,000
Federal Home Loan Ba	UBOC	5,320,000	1.350	12/29/2015	5,320,000	08/29/2018	850	1.350	5,326,756	3130A6XW4	26282	5,320,000
Federal Home Loan Mt	UBOC	3,221,000	1.150	02/29/2016	3,221,000	11/26/2018	1,000	1.150	3,219,840	3134G8KVO	26304	3,221,000
Fund Total and Average		\$ 14,180,149	1.098		\$ 14,180,149		715	1.098	\$ 14,188,069			\$ 14,180,149

Hydro Initial Facilities

Federal National Mtg	USB	1,529,000	1.625	12/12/2014	1,539,244	11/27/2016	1,001	1.450	1,555,406	3135GOYV4	26189	1,536,088
Federal Farm Credit	USB	2,437,000	1.250	02/02/2016	2,450,501	01/22/2019	1,057	1.060	2,451,330	3133EFVQ7	26300	2,450,135
Fund Total and Average		\$ 3,966,000	1.395		\$ 3,989,745		1035	1.210	\$ 4,006,736			\$ 3,986,223

Hydro Debt Service

Federal Home Loan Mt	USBT	1,590,000	0.490	12/28/2015	1,585,996	06/30/2016	121	0.498	1,588,028	313396YU1	26286	1,587,381
Federal Home Loan Ba	USBT	2,915,000	0.350	02/26/2016	2,911,429	07/01/2016	122	0.355	2,911,240	313384YV5	26308	2,911,542
Federal National Mtg	USBT	11,750,000	0.390	01/27/2016	11,730,143	07/01/2016	122	0.396	11,734,843	313588YV1	26294	11,734,470
Fund Total and Average		\$ 16,255,000	0.393		\$ 16,227,568		122	0.399	\$ 16,234,111			\$ 16,233,393

Hydro Debt Service Resrv 2010A

Federal Farm Credit	USB	5,528,000	1.750	08/28/2015	5,546,187	08/04/2020	1,617	1.680	5,625,901	3133EE5Z9	26243	5,544,313
Fund Total and Average		\$ 5,528,000	1.750		\$ 5,546,187		1617	1.680	\$ 5,625,901			\$ 5,544,313

Hydro 2012A Rebate Account

Federal Home Loan Mt	USB	651,000	1.000	02/09/2012	649,392	03/08/2017	372	1.050	652,680	3137EADCC	25853	650,677
Fund Total and Average		\$ 651,000	1.000		\$ 649,392		372	1.050	\$ 652,680			\$ 650,677

Hydro Special Reserve

Local Agency Investm	LAIF	0	0.377	07/01/2013	0		1	0.377	0	SYST70000	70003	0
Local Agency Investm	LAIF	0	0.356	07/01/2013	0		1	0.356	0	SYST70033	70033	0
Union Bank of Calif	UBOC	0	0.002	07/01/2013	0		1	0.002	0	SYST70016	70016	0

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Hydro Special 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
US Bank	USB	0	0.000	07/01/2013	0		1	0.000	0	SYS70064	70064	0
Federal Home Loan Mt	UBOC	1,500,000	1.150	02/26/2016	1,500,000	11/26/2018	1,000	1.150	1,499,460	3134GBKVO	26303	1,500,000
Fund Total and Average		\$ 1,500,000	1.150		\$ 1,500,000		1000	1.150	\$ 1,499,460			\$ 1,500,000

Hydro 2012 DSRA

Federal Farm Credit	USB	100,000	1.750	08/28/2015	100,329	08/04/2020	1,617	1.680	101,771	3133EE529	26244	100,295
Federal Home Loan Mt	USB	3,928,000	2.375	02/09/2012	3,926,232	01/13/2022	2,144	2.380	4,111,634	3137EADB2	25852	3,926,955
Fund Total and Average		\$ 4,028,000	2.359		\$ 4,026,561		2131	2.363	\$ 4,213,405			\$ 4,027,250
GRAND TOTALS:		\$ 46,108,149	1.064		\$ 46,119,602		770	1.043	\$ 46,420,362.			\$ 46,122,005

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 Current Market Value is based on prices from Trustees/ Custodian Statements or bid prices from the Wall Street Journal as of 02/29/2016
 Investment #26282 - FHLB - Callable 6/29/16, then anytime.
 Investment #26283 - FHLB - Callable quarterly.
 Investment #26303 - FHL/MC - Callable 5/26/16, then quarterly.



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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		71,132	0.367	07/01/2013	71,132	1	1	0.367	71,132	SYS70046	70046	71,132
Fund Total and Average		\$ 71,132	0.367		\$ 71,132	1	1	0.367	\$ 71,132			\$ 71,132

LEC Construction Revolving

Local Agency Investm		1	0.254	07/01/2013	1	1	1	0.254	1	SYS70040	70040	1
Fund Total and Average		\$ 1	0.254		\$ 1	1	1	0.254	\$ 1			\$ 1

LEC Issue#1 2010A DS Fund

US Bank Trust	USB	159	0.100	07/01/2013	159	1	1	0.100	159	SYS79003	79003	159
Federal Home Loan Ba	USBT	695,000	0.520	12/24/2015	693,474	84	84	0.528	694,430	313384XF1	26288	694,157
Federal Home Loan Ba	USBT	2,560,000	0.240	12/02/2015	2,556,979	87	87	0.243	2,557,824	313384XJ3	26278	2,558,515
Federal Home Loan Ba	USBT	695,000	0.381	02/26/2016	694,331	87	87	0.386	694,409	313384XJ3	26310	694,360
Federal National Mig	USBT	694,000	0.360	01/27/2016	693,126	92	92	0.365	693,341	313588XP5	26296	693,362
Fund Total and Average		\$ 4,644,159	0.321		\$ 4,638,069	87	87	0.326	\$ 4,640,163			\$ 4,640,563

LEC Issue #1 2010B DS Fund

US Bank Trust	USB	156	0.100	07/01/2013	156	1	1	0.100	156	SYS79004	79004	156
Federal Home Loan Ba	USBT	811,000	0.520	12/24/2015	809,219	84	84	0.528	810,335	313384XF1	26289	810,016
Federal Home Loan Ba	USBT	727,000	0.381	02/26/2016	726,300	87	87	0.386	726,382	313384XJ3	26311	726,331
Federal National Mig	USBT	727,000	0.360	01/27/2016	726,084	92	92	0.365	726,309	313588XP5	26298	726,331
Fund Total and Average		\$ 2,265,156	0.424		\$ 2,261,759	88	88	0.431	\$ 2,263,182			\$ 2,262,834

LEC Issue #2 2010A DS Fund

US Bank Trust	USB	406	0.100	07/01/2013	406	1	1	0.100	406	SYS79011	79011	406
Federal Home Loan Ba	USBT	436,000	0.519	12/24/2015	435,043	84	84	0.528	435,642	313384XF1	26290	435,471
Federal Home Loan Ba	USBT	2,188,000	0.240	12/02/2015	2,185,418	87	87	0.243	2,186,140	313384XJ3	26279	2,186,731
Federal Home Loan Ba	USBT	435,000	0.381	02/26/2016	434,581	87	87	0.386	434,630	313384XJ3	26312	434,599
Federal National Mig	USBT	434,000	0.360	01/27/2016	433,453	92	92	0.365	433,588	313588XP5	26297	433,601
Fund Total and Average		\$ 3,493,406	0.307		\$ 3,488,901	87	87	0.312	\$ 3,490,406			\$ 3,490,808

LEC Issue #2 2010B DS Fund

Northern California Power Agency
Treasurer's Report
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LEC Issue #2 2010B 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
US Bank Trust	USB	424	0.100	07/01/2013	424		1	0.100	424	SYS79012	79012	424
Federal Home Loan Ba	USBT	348,000	0.520	12/24/2015	348,234	05/24/2016	84	0.528	348,714	313384XF1	26291	348,577
Federal Home Loan Ba	USBT	349,000	0.381	02/26/2016	348,664	05/27/2016	87	0.386	348,703	313384XJ3	26313	348,679
Federal National Mig	USBT	390,000	0.360	01/27/2016	389,509	06/01/2016	92	0.365	389,630	313588XP5	26299	389,641
Fund Total and Average		\$ 1,088,424	0.418		\$ 1,086,831		88	0.424	\$ 1,087,471			\$ 1,087,321

LEC Issue #1 2010 DSR Fund

US Bank Trust	USB	76,757	0.100	07/01/2013	76,757		1	0.100	76,757	SYS79005	79005	76,757
Federal National Mig	USBT	4,170,000	0.875	05/30/2014	4,171,960	08/28/2017	545	0.977	4,175,755	3135GOMZ3	26136	4,170,901
Federal Farm Credit	USBT	4,287,000	1.850	06/08/2015	4,287,000	06/08/2020	1,560	1.850	4,290,215	3133EEEU65	26230	4,287,000
Fund Total and Average		\$ 8,533,757	1.358		\$ 8,535,717		1050	1.408	\$ 8,542,727			\$ 8,534,658

LEC Iss#1 2010B BABS Subs Resv

US Bank Trust	USB	2,261,529	0.100	07/01/2013	2,261,529		1	0.100	2,261,529	SYS79006	79006	2,261,529
Fund Total and Average		\$ 2,261,529	0.100		\$ 2,261,529		1	0.100	\$ 2,261,529			\$ 2,261,529

LEC Issue #2 2010B DSR BABS

US Bank Trust	USB	1,086,717	0.100	07/01/2013	1,086,717		1	0.100	1,086,717	SYS79013	79013	1,086,717
Fund Total and Average		\$ 1,086,717	0.100		\$ 1,086,717		1	0.100	\$ 1,086,717			\$ 1,086,717

LEC O & M Reserve

Local Agency Investm	UJOC	2,307,335	0.367	07/01/2013	2,307,335		1	0.367	2,307,335	SYS70047	70047	2,307,335
Union Bank of Califo	UJOC	27,497	0.002	07/18/2013	27,497		1	0.002	27,497	SYS70041	70041	27,497
Federal National Mig	UJOC	2,933,000	1.875	08/28/2015	2,998,142	02/19/2019	1,085	1.220	3,002,131	3135G0ZA4	26248	2,988,613
Federal Farm Credit	UJOC	6,000,000	1.740	09/30/2015	6,000,000	09/30/2020	1,674	1.740	6,001,200	3133EFFZ5	26260	6,000,000
Fund Total and Average		\$ 11,267,832	1.482		\$ 11,332,974		1174	1.319	\$ 11,338,163			\$ 11,323,445
GRAND TOTALS:		\$ 34,712,113	0.944		\$ 34,763,630		669	0.902	\$ 34,781,491			\$ 34,758,998

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Current Market Value is based on prices from Trustee/Custodian Statements or bid prices from the Wall Street Journal as of 02/29/2016

Investment # 26230 - FFEB - Callable on 6/8/16, then any time.
Investment # 26260 - FFEB - Callable on 3/30/16, then any time.

#12



Commission Staff Report

DATE: March 15, 2016

COMMISSION MEETING DATE: March 31, 2016

SUBJECT: Sale or Disposal of Surplus Property

AGENDA CATEGORY: Consent

FROM: Sondra Ainsworth Treasurer-Controller	METHOD OF SELECTION:
Division: Administrative Services	N/A
	<i>If other, please describe:</i>

IMPACTED MEMBERS:

All Members	<input checked="" type="checkbox"/>	City of Lodi	<input type="checkbox"/>	City of Ukiah	<input type="checkbox"/>
Alameda Municipal Power	<input type="checkbox"/>	City of Lompoc	<input type="checkbox"/>	Plumas-Sierra REC	<input type="checkbox"/>
Bay Area Rapid Transit	<input type="checkbox"/>	City of Palo Alto	<input type="checkbox"/>	Port of Oakland	<input type="checkbox"/>
City of Biggs	<input type="checkbox"/>	City of Redding	<input type="checkbox"/>	Truckee Donner PUD	<input type="checkbox"/>
City of Gridley	<input type="checkbox"/>	City of Roseville	<input type="checkbox"/>	Other	<input type="checkbox"/>
City of Healdsburg	<input type="checkbox"/>	City of Santa Clara	<input type="checkbox"/>		<input type="checkbox"/>

If other, please specify.

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

RECOMMENDATION:

Note and file report by all members for the disposal of 1992 Snowcat and Scrap metal.

BACKGROUND:

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

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

<u>Property Description</u>	<u>Quantity</u>	<u>*Method of Disposal</u>	<u>Net Proceeds From Sale</u>	
1992 LMC 1500 Snowcat	1	PS	\$	15,256.00
Scrap metal	1	S		80.00
		Total	\$	15,336.00

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,



for RANDY S. HOWARD
General Manager

Attachments

* Note: Public Sale (PS); Private Sale (P), Disposal – Net Scrap Value (S)



NORTHERN CALIFORNIA POWER AGENCY
DECLARATION OF EXCESS

Date: 3/3/16

QTY	U/M*	DESCRIPTION (Including All Applicable Model #'s, I.C.N.s & V.I.N.s)	COND**	ESTIMATED VALUE		NCPA Property# / Stock # / Fleet # or Project #	SITE LOCATION
				UNIT	TOTAL		
1.		Scrap Metal	S				LEC
2.							
3.							
4.							
5.							
6.							
7.							
8.							
9.							

JUSTIFICATION FOR EXCESS/DISPOSAL: Scrap metal

RECOMMENDED DISPOSITION: Disposal/Scrap

PREPARED BY: Melissa Philpot / Michael DeBortoli *Michael DeBortoli*
 ORG. _____
 APPROVED BY: *Frank* 3/16 CODE: _____
 (ASST. GEN. MANAGER)
 AUTHORIZATION _____ DATE: 3/10/16
 TO PROCEED: *Frank* (GENERAL MANAGER)

PUBLIC SALE PRIVATE SALE
 DISPOSAL - NO NET SCRAP VALUE
 *U/M = UNIT OF MEASURE
 ** CONDITION: EXCELLENT (E), GOOD (G), AVERAGE
 POOR (P), SCRAP (S)

ORIGINAL TO TREASURER-CONTROLLER



Date: 10/22/2015

**DECLARATION OF SURPLUS
SUPPLIES, MATERIALS & EQUIPMENT**

QTY	U/M*	DESCRIPTION (Including All Applicable Model #'s, LCNs & VINs)	COND**	ESTIMATED VALUE		NCPA Property or Project #	SITE LOCATION
				UNIT	TOTAL		
1.	ea	1992 LMC 1500 Snowcat	Average		~\$15,000	Hydro	Murphys
2.							
3.							
4.							
5.							
6.							
7.							
8.							

JUSTIFICATION FOR SURPLUS/DISPOSAL: NCPA Hydro recently purchased a new Piston Bully Snowcat as a replacement for the 1992 LMC 1500 Snowcat. Hydro utilizes snowcats to reach the outlying upper project areas in the winter months. The LMC 1500 is in fair condition with approximately 1575 running hours on it. Hydro proposes to sell the snowcat via negotiated sale as this is a specialty piece of equipment.

PREPARED BY: Tracy Kves (WS 10-22-15) *TK*
 APPROVED BY: *Jim Speer* ORG. (ASST. GEN. MANAGER)
 AUTHORIZATION TO PROCEED: *Jim Speer* DATE: 10/29/15 (GENERAL MANAGER)

RECOMMENDED DISPOSITION:
 NEGOTIATED (Private) SALE XX
 PUBLIC SALE: SEALED BIDS AUCTION
 DISPOSAL: SCRAP/RECYCLE VALUE NO VALUE -- TRASH/JUNK
 DISPOSITION JUSTIFICATION:
 Snowcat in fair running condition with approximately 1575 running hours on it replaced by newer equipment.
 ** CONDITION: EXCELLENT (E), GOOD (G), AVERAGE (A), POOR (P), SCRAP (S)

ORIGINAL TO TREASURER-CONTROLLER

ATTACHMENT 1



Commission Staff Report

DATE: March 24, 2016

COMMISSION MEETING DATE: March 31, 2016

SUBJECT: Approval of Consulting Services Agreement with Law Offices of Susie Berlin

AGENDA CATEGORY: Consent

FROM: Jane Cirrincione Assistant General Manager	METHOD OF SELECTION:
Division: Legislative & Regulatory Affairs	N/A
	<i>If other, please describe:</i>

IMPACTED MEMBERS:

All Members	<input checked="" type="checkbox"/>	City of Lodi	<input type="checkbox"/>	City of Ukiah	<input type="checkbox"/>
Alameda Municipal Power	<input type="checkbox"/>	City of Lompoc	<input type="checkbox"/>	Plumas-Sierra REC	<input type="checkbox"/>
Bay Area Rapid Transit	<input type="checkbox"/>	City of Palo Alto	<input type="checkbox"/>	Port of Oakland	<input type="checkbox"/>
City of Biggs	<input type="checkbox"/>	City of Redding	<input type="checkbox"/>	Truckee Donner PUD	<input type="checkbox"/>
City of Gridley	<input type="checkbox"/>	City of Roseville	<input type="checkbox"/>	Other	<input type="checkbox"/>
City of Healdsburg	<input type="checkbox"/>	City of Santa Clara	<input type="checkbox"/>		<input type="checkbox"/>

If other, please specify.

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

RECOMMENDATION:

Staff recommends that the NCPA Commission approve Resolution #16-22 authorizing the General Manager or his designee to enter into a Consulting Services Agreement with Law Offices of Susie Berlin for an amount not-to-exceed three hundred thousand dollars (\$300,000) annually for three (3) years, with any non-substantial changes recommended and approved by the NCPA General Counsel.

BACKGROUND:

The Law Offices of Susie Berlin is a law firm that currently provides specialized and targeted legal counsel and representation for NCPA with regard to state regulatory issues at the California Energy Commission (CEC), the California Air Resources Board (CARB), and the California Public Utilities Commission. Key issues to be addressed under this contract include the implementation of statewide greenhouse gas and renewables policies—which have been identified in the 2016 NCPA Legislative and Regulatory Affairs Strategic Plan as key priorities for the agency.

With the current contract with Law Offices of Susie Berlin now expiring, approval of this three-year contract will ensure ongoing effective legal support in a number of proceedings currently pending before these agencies.

FISCAL IMPACT:

Total cost of the agreement is not to exceed \$300,000 annually for a term of three years. Funding for this purpose is provided for in our current NCPA Legislative and Regulatory Affairs program budget, and was also approved as part of the proposed FY 2017 program budget during the NCPA Legislative and Regulatory Committee's Budget Workshop last month, and will be included in the final budget subject to Commission approval in April.

This proposed contract to extend the services of Law Offices of Susie Berlin calls for the provision of legal services at the rate the agency currently pays, and does not result in an increase in costs for this purpose. Moreover, the firm has worked closely with NCPA to help us carefully manage legal costs by sharing work with other utilities and minimizing travel costs.

Recognizing the importance of NCPA's involvement in the development of a post-2020 climate program and associated changes to greenhouse gas regulations at CARB, as well as the promulgation of RPS and other regulations at the CEC, the level of requested funding is necessary to continue our proactive representation in these areas.

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:

- Resolution 16-22
- Consulting Services Agreement with Law Office of Susie Berlin

SR: 128:16

RESOLUTION 16-22

**RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY
APPROVING CONSULTING SERVICES AGREEMENT WITH LAW OFFICES
OF SUSIE BERLIN**

(reference Staff Report #128:16)

WHEREAS, the Northern California Power Agency (NCPA) advocates on a range of issues before the California State Legislature, the United States Congress, and various state and federal agencies on behalf of its members; and

WHEREAS, NCPA manages on behalf of its members contracts with consultants who provide specialized and targeted policy-related expertise and representation as issues warrant; and

WHEREAS, LAW OFFICES OF SUSIE BERLIN provides this specialized and targeted policy-related expertise and representation before various state agencies; and

WHEREAS, NCPA desires to enter into a Consulting Services Agreement with LAW OFFICES OF SUSIE BERLIN for three (3) 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 to enter into a Consulting Services Agreement with LAW OFFICES OF SUSIE BERLIN for three (3) years with an amount not-to-exceed Three Hundred Thousand Dollars (\$300,000) annually, with any non-substantial changes as approved by the NCPA General Counsel.

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

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

CAROL GARCIA
CHAIRPERSON

ATTEST: CARY A. PADGETT
ASSISTANT SECRETARY



**CONSULTING SERVICES AGREEMENT BETWEEN
THE NORTHERN CALIFORNIA POWER AGENCY AND
LAW OFFICES OF SUSIE BERLIN**

This agreement for consulting services ("Agreement") is made by and between the Northern California Power Agency, a joint powers agency with its main office located at 651 Commerce Drive, Roseville, CA 95678-6420 ("Agency") and Law Offices of Susie Berlin, a sole proprietorship with its office located at 1346 The Alameda, Suite 7, #141, San Jose, CA 95126 ("Consultant") (together sometimes referred to as the "Parties") as of _____, 2016, ("Effective Date") in Roseville, California.

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

1.1 Term of Agreement. The term of this Agreement shall begin on the Effective Date shall remain in effect for three years from the Effective Date, unless otherwise terminated in accordance with termination of Section 8.

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.

Section 2. COMPENSATION. Agency hereby agrees to pay Consultant an amount **NOT TO EXCEED** THREE HUNDRED THOUSAND DOLLARS (\$300,000) annually for the Services, 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, 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.

Invoices shall be sent to:

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

- 2.2 Monthly Payment.** Agency shall make monthly payments, based on invoices received, for services satisfactorily performed, and for authorized reimbursable costs incurred. Agency shall have thirty (30) days from the receipt of an invoice that complies with all of the requirements above to pay Consultant.
- 2.3 Payment of Taxes.** Consultant is solely responsible for the payment of all federal, state and local taxes, including employment taxes, incurred under this Agreement.
- 2.4 Authorization to Perform Services.** The Consultant is not authorized to perform any services or incur any costs whatsoever under the terms of this Agreement until receipt of written authorization from the Contract Administrator.
- 2.5 Timing for Submittal of Final Invoice.** Consultant shall have ninety (90) days after completion of its Services to submit its final invoice. 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. Consultant shall maintain professional liability insurance appropriate to Consultant's profession performing work in connection with this Agreement in an amount not less than one million dollars (\$1,000,000.00) and two million dollars (\$2,000,000) aggregate covering the Consultant's errors and omissions. Any deductible or self-insured retention shall not exceed two hundred fifty thousand dollars (\$250,000) per claim.

4.4 All Policies Requirements.

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

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

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 ensures 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 that 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 that arise out of, pertain to, or relate to such claims, whether directly or indirectly ("Liabilities"). Such obligations to defend, hold harmless and indemnify the Agency shall not apply to the extent that such Liabilities are caused by the sole negligence, active negligence, or willful misconduct of the Agency.

Section 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.

- 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.
- 7.4 **Work Requiring Payment of Prevailing Wages.** If applicable, 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 these services are to be performed, and not less than the general prevailing rate of per diem wages for holiday and overtime work fixed as provided in the California Labor Code shall be paid to all workers engaged in performing the services under this Agreement.

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

Party's employees, agents, consultants, contractors and subcontractors who have a need to know in connection with this Agreement.

Section 10 **MISCELLANEOUS PROVISIONS.**

- 10.1** **Attorneys' Fees.** If a party to this Agreement brings any action, including an action for declaratory relief, to enforce or interpret the provision of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees in addition to any other relief to which that party may be entitled. The court may set such fees in the same action or in a separate action brought for that purpose.
- 10.2** **Venue.** In the event that either party brings any action against the other under this Agreement, the Parties agree that trial of such action shall be vested exclusively in the state courts of California in the County of Placer or in the United States District Court for the Eastern District of California.
- 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 Jane Cirrincione, Assistant General Manager, Legislative & Regulatory Affairs or 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:

Susie Berlin
Principal
Law Offices of Susie Berlin
1346 The Alameda, Suite 7, #141
San Jose, CA 95126

Any written notice to Agency shall be sent to:

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

With a copy to:

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

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

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

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

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

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

- 10.11.3** If the issue remains unresolved after fifteen (15) days of good faith negotiations, the Parties shall attempt to resolve the disagreement by negotiation between legal counsel. If the above process fails, the Parties shall resolve any remaining disputes through mediation to expedite the resolution of the dispute.
- 10.11.4** The mediation process shall provide for the selection within fifteen (15) days by both Parties of a disinterested third person as mediator, shall be commenced within thirty (30) days and shall be concluded within fifteen (15) days from the commencement of the mediation.
- 10.11.5** The Parties shall equally bear the costs of any third party in any alternative dispute resolution process.
- 10.11.6** The alternative dispute resolution process is a material condition to this Agreement and must be exhausted as an administrative prior to either Party initiating legal action. This alternative dispute resolution process is not intended to nor shall be construed to change the time periods for filing a claim or action specified by Government Code §§ 900 *et seq.*

10.12 RESERVED

- 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.

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

NORTHERN CALIFORNIA POWER AGENCY

Date _____

LAW OFFICES OF SUSIE BERLIN

Date _____

RANDY S. HOWARD, General Manager

SUSIE BERLIN

Attest:

Assistant Secretary of the Commission

Approved as to Form:

Assistant General Counsel

EXHIBIT A
SCOPE OF SERVICES

Task 1: Legal Services

Agency hereby confirms prior oral authorization and hereby retains Consultant to represent Agency and provide legal services as may be requested, orally or in writing, from time to time by officers or authorized representatives of Agency. Such services may include, but are not limited to providing advice and counsel on legal matters affecting Agency, research, representation of Agency in judicial proceedings in state and federal court, other dispute resolution tribunals, and before administrative agencies, contract negotiation and drafting. Consultant hereby agrees to perform such legal services for and on behalf of Agency and to undertake, subject to approval of Agency, such additional duties as may be authorized by Agency from time to time under the terms and conditions set forth herein. Consultant further agrees to complete such services within the time limits mutually determined to be acceptable to Consultant and Agency.

EXHIBIT B

COMPENSATION SCHEDULE AND HOURLY FEES

Compensation for all tasks, including hourly fees and expenses, shall not exceed three hundred thousand dollars (\$300,000) annually. The hourly rates and or compensation break down are as follows:

- C. Susie Berlin, \$335 per hour

Compensation for services and costs to Agency shall be billed at the rates to not exceed the above schedule without further written agreement of the parties.

Agency agrees to reimburse the Consultant for reasonable and necessary business expenses incurred by the Consultant on behalf of Agency in connection with the services described in this Agreement. Such expenses shall include, but shall not be limited to, the following:

- Privately owned automobile mileage at the reimbursement rate allowed by Internal Revenue Service regulations;
- Other travel expenses at actual cost, including but not limited to, airfare, taxicab fare, meals and lodging that are incurred while representing Agency; and
- Travel and other out-of-pocket expenses incurred in connection with, or related to, the performance of the Scope of Services shall be billed at cost.

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.



Commission Staff Report

DATE: March 22, 2016

COMMISSION MEETING DATE: March 31, 2016

SUBJECT: Maxim Crane Works, LP – Five Year Multi-Task General Services Agreement for Crane Services; Applicable to the following projects: All NCPA Facility Locations, Members, SCPPA, and SCPPA Members

AGENDA CATEGORY: Consent

FROM: Ken Speer Assistant General Manager	METHOD OF SELECTION:
Division: Generation Services	N/A
	<i>If other, please describe:</i>

IMPACTED MEMBERS:

All Members	<input checked="" type="checkbox"/>	City of Lodi	<input type="checkbox"/>	City of Ukiah	<input type="checkbox"/>
Alameda Municipal Power	<input type="checkbox"/>	City of Lompoc	<input type="checkbox"/>	Plumas-Sierra REC	<input type="checkbox"/>
Bay Area Rapid Transit	<input type="checkbox"/>	City of Palo Alto	<input type="checkbox"/>	Port of Oakland	<input type="checkbox"/>
City of Biggs	<input type="checkbox"/>	City of Redding	<input type="checkbox"/>	Truckee Donner PUD	<input type="checkbox"/>
City of Gridley	<input type="checkbox"/>	City of Roseville	<input type="checkbox"/>	Other	<input type="checkbox"/>
City of Healdsburg	<input type="checkbox"/>	City of Santa Clara	<input type="checkbox"/>		<input type="checkbox"/>

If other, please specify.

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

RECOMMENDATION:

Approve Resolution 16-24 authorizing the General Manager or his designee to enter into a Multi-Task General Services Agreement with Maxim Crane Works, LP, 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, its members, by the Southern California Public Power Authority ("SCPPA"), or by SCPPA members.

BACKGROUND:

Crane services are needed at various NCPA facility locations as well as NCPA member facilities and SCPPA member facilities for the operation of the plants. Maxim Crane Works, LP is a provider of these services.

FISCAL IMPACT:

Total cost of the agreement is not-to-exceed \$500,000 over five years to be used out of NCPA approved budgets as services are rendered. Purchase orders referencing the terms and conditions of the Agreement will be issued following NCPA procurement policies and procedures.

SELECTION PROCESS:

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

ENVIRONMENTAL ANALYSIS:

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

COMMITTEE REVIEW:

The recommendation below was reviewed by the Facilities Committee on March 2, 2016 and was recommended for Commission approval.

The recommendation below was reviewed by the Lodi Energy Center Participant Committee on March 14, 2016 and approved.

Respectfully submitted,



for RANDY S. HOWARD
General Manager

Prepared by:



KEN SPEER
Assistant General Manager
Generation Services

Attachments: (2)

- Resolution
- Multi-Task General Services Agreement with Maxim Crane Works, LP

RESOLUTION 16-24

**RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY
APPROVING A MULTI-TASK GENERAL SERVICES AGREEMENT WITH MAXIM
CRANE WORKS, LP**

(reference Staff Report #133:16)

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

WHEREAS, Maxim Crane Works, LP is a provider of these services; and

WHEREAS, on March 14, 2016, the LEC Project Participant Committee approved the agreement with Maxim Crane Works, LP 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 Manger or his designee to enter into a Multi-Task General Services Agreement with Maxim Crane Works, LP, with any non-substantial changes as approved by the NCPA General Counsel, which shall not exceed \$500,000 over five years for crane services at all facilities owned and/or operated by NCPA, its members, by the Southern California Public Power Authority (SCPPA), or by SCPPA members.

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

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

CAROL GARCIA
CHAIRPERSON

ATTEST:

CARY A. PADGETT
ASSISTANT SECRETARY



**MULTI-TASK
GENERAL SERVICES AGREEMENT BETWEEN
THE NORTHERN CALIFORNIA POWER AGENCY AND
MAXIM CRANE WORKS, L.P.**

This agreement for general services ("Agreement") is made by and between the Northern California Power Agency, a joint powers agency with its main office located at 651 Commerce Drive, Roseville, CA 95678-6420 ("Agency") and Maxim Crane Works, L.P., a limited partnership, with its office located at 7512 Pacific Avenue, Pleasant Grove, CA 95668 ("Contractor") (together sometimes referred to as the "Parties") as of _____, 2016 ("Effective Date") in Roseville, California.

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

- 1.1 Term of Agreement.** The term of this Agreement shall begin on the Effective Date and shall end when Contractor completes the Work, or no later than five (5) years from the date this Agreement was signed by Agency, whichever is shorter.
- 1.2 Standard of Performance.** Contractor shall perform the Work in the manner and according to the standards observed by a competent practitioner of the profession in which Contractor is engaged and for which Contractor is providing the Work. Contractor represents that it is licensed, qualified and experienced to provide the Work set forth herein.
- 1.3 Assignment of Personnel.** Contractor shall assign only competent personnel to perform the Work. In the event that Agency, in its sole discretion, at any time during the term of this Agreement, requests the reassignment of any such personnel, Contractor shall, immediately upon receiving written notice from Agency of such request, reassign such personnel.
- 1.4 Work Provided.** Work provided under this Agreement by Contractor may include Work directly to the Agency or, as requested by the Agency and consistent with the terms of this Agreement, to Agency members, Southern California Public Power Authority ("SCPPA") or SCPPA members.
- 1.5 Request for Work to be Performed.** At such time that Agency determines to have Contractor perform Work under this Agreement, Agency shall issue a Purchase Order. The Purchase Order shall identify the specific Work to be performed ("Requested Work"), may include a not-to-exceed cap on monetary cap on Requested Work and all related expenditures authorized by that Purchase Order, and shall include a time by which the Requested Work shall be completed. Contractor shall have seven calendar days from the date of the Agency's issuance of the Purchase Order in which to respond in writing that Contractor chooses not to perform the Requested Work. If Contractor agrees to perform

the Requested Work, begins to perform the Requested Work, or does not respond within the seven day period specified, then Contractor will have agreed to perform the Requested Work on the terms set forth in the Purchase Order, this Agreement and its Exhibits.

Section 2. COMPENSATION. Agency hereby agrees to pay Contractor an amount **NOT TO EXCEED FIVE HUNDRED THOUSAND** dollars (\$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

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

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

2.4 Authorization to Perform Work. The Contractor is not authorized to perform any Work or incur any costs whatsoever under the terms of this Agreement until receipt of a Purchase Order from the Contract Administrator.

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

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

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

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

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

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

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

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

4.3 Professional Liability Insurance. Intentionally left blank.

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

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

4.5 All Policies Requirements.

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

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

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

4.5.4 Additional Certificates and Endorsements. If Contractor performs Work for Agency members, SCPPA and/or SCPPA members pursuant to this Agreement, Agency shall the right to require Contractor to provide the certificates of insurance and/or policy endorsements, as referenced in Section 4.4.1, naming the specific Agency member, SCPPA and/or SCPPA member for which the Work is to be performed.

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

subrogation. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of Agency for all work performed by Contractor, its employees, agents and subcontractors.

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

Section 5. INDEMNIFICATION AND CONTRACTOR'S RESPONSIBILITIES.

- 5.1 **Effect of Insurance.** Agency's acceptance of insurance certificates and endorsements required under this Agreement does not relieve Contractor from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply to any damages or claims for damages whether or not such insurance policies shall have been determined to apply. By execution of this Agreement, Contractor acknowledges and agrees to the provisions of this section and that it is a material element of consideration.
- 5.2 **Scope.** Contractor shall indemnify, defend with counsel reasonably acceptable to the Agency, and hold harmless the Agency, and its officials, commissioners, officers, employees, agents and volunteers from and against all losses, liabilities, claims, demands, suits, actions, damages, expenses, penalties, fines, costs (including without limitation costs and fees of litigation), judgments and causes of action of every nature arising out of or in connection with any acts or omissions by Contractor, its officers, officials, agents, and employees, except as caused by the sole or gross negligence of Agency. Notwithstanding, should this Agreement be construed as a construction agreement under Civil Code section 2783, then the exception referenced above shall also be for the active negligence of Agency.

Section 6. STATUS OF CONTRACTOR.

- 6.1 **Independent Contractor.** Contractor is an independent contractor and not an employee of Agency. Agency shall have the right to control Contractor only insofar as the results of Contractor's Work and assignment of personnel pursuant to Section 1; otherwise, Agency shall not have the right to control the means by which Contractor accomplishes Work rendered pursuant to this Agreement. Notwithstanding any other Agency, state, or federal policy, rule, regulation, law, or ordinance to the contrary, Contractor and any of its employees, agents, and subcontractors providing services under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any and all claims to, any compensation, benefit, or any incident of employment by Agency, including but not limited

to eligibility to enroll in the California Public Employees Retirement System (PERS) as an employee of Agency and entitlement to any contribution to be paid by Agency for employer contributions and/or employee contributions for PERS benefits.

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

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

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

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

ensure that any and all subcontractors performing any Work shall be fully insured in all respects and to the same extent as set forth under Section 4, to Agency's satisfaction.

- 6.4 **Certification as to California Energy Commission.** If requested by the Agency, Contractor shall, at the same time it executes this Agreement, execute Exhibit C.
- 6.5 **Certification as to California Energy Commission Regarding Hazardous Materials Transport Vendors.** If requested by the Agency, Contractor shall, at the same time it executes this Agreement, execute Exhibit D.
- 6.6 **Maintenance Labor Agreement.** If the Work is subject to the terms of one or more Maintenance Labor Agreements, which are applicable only to certain types of construction, repair and/or maintenance projects, then Contractor shall execute Exhibit E and/or similar documentation as to compliance.

Section 7. LEGAL REQUIREMENTS.

- 7.1 **Governing Law.** The laws of the State of California shall govern this Agreement.
- 7.2 **Compliance with Applicable Laws.** Contractor and its subcontractors and agents, if any, shall comply with all laws applicable to the performance of the work hereunder.
- 7.3 **Licenses and Permits.** Contractor represents and warrants to Agency that Contractor and its employees, agents, and subcontractors (if any) have and will maintain at their sole expense during the term of this Agreement all licenses, permits, qualifications, and approvals of whatever nature that are legally required to practice their respective professions.
- 7.4 **Monitoring by DIR.** The Work is subject to compliance monitoring and enforcement by the Department of Industrial Relations.
- 7.5 **Registration with DIR.** During the term of this Agreement, Contractor warrants that it is registered with the Department of Industrial Relations and qualified to perform Work consistent with Labor Code section 1725.5.
- 7.6 **Prevailing Wage Rates.** In accordance with California Labor Code Section 1771, not less than the general prevailing rate of per diem wages for work of a similar character in the locality in which the Work is to be performed, and not less than the general prevailing rate of per diem wages for holiday and overtime work as provided in the California Labor Code must be paid to all workers engaged in performing the Work. In accordance with California Labor Code Section 1770 and following, the Director of Industrial Relations has determined the general prevailing wage per diem rates for the locality in which the Work is to be performed; the Agency has obtained the general prevailing rate of per diem wages and the general rate for holiday and overtime work in the locality in which the Work is to be performed for each craft, classification or type of worker needed to perform the project;

and copies of the prevailing rate of per diem wages are on file at the Agency and will be made available on request. Throughout the performance of the Work, Contractor must comply with all applicable laws and regulations that apply to wages earned in performance of the Work. Contractor assumes all responsibility for such payments and shall defend, indemnify and hold the Agency harmless from any and all claims made by the State of California, the Department of Industrial Relations, any subcontractor, any worker or any other third party with regard thereto.

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

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

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

Section 8. TERMINATION AND MODIFICATION.

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

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

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

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

8.4.1 Immediately terminate the Agreement;

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

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

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

Section 9. KEEPING AND STATUS OF RECORDS.

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

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

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

9.4 Confidential Information and Disclosure.

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

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

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

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

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

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

9.4.4 Handling of Confidential Information. Upon conclusion or termination of the Agreement, Receiving Party shall return to Disclosing Party or destroy Confidential Information (including all copies thereof), if requested by Disclosing Party in

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

Section 10. PROJECT SITE.

- 10.1 Operations at the Project Site.** Each Project site may include the power plant areas, all buildings, offices, and other locations where Work is to be performed, including any access roads. Contractor shall perform the Work in such a manner as to cause a minimum of interference with the operations of the Agency; if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4; and other contractors at the Project site and to protect all persons and property thereon from damage or injury. Upon completion of the Work at a Project site, Contractor shall leave such Project site clean and free of all tools, equipment, waste materials and rubbish, stemming from or relating to Contractor's Work.
- 10.2 Contractor's Equipment, Tools, Supplies and Materials.** Contractor shall be solely responsible for the transportation, loading and unloading, and storage of any equipment, tools, supplies or materials required for performing the Work, whether owned, leased or rented. Neither Agency nor, if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4, will be responsible for any such equipment, supplies or materials which may be lost, stolen or damaged or for any additional rental charges for such. Equipment, tools, supplies and materials left or stored at a Project site, with or without permission, is at Contractor's sole risk. Anything left on the Project site an unreasonable length of time after the Work is completed shall be presumed to have been abandoned by the Contractor. Any transportation furnished by Agency or, if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4, shall be solely as an accommodation and neither Agency nor, if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4, shall have liability therefor. Contractor shall assume the risk and is solely responsible for its owned, non-owned and hired automobiles, trucks or other motorized vehicles as well as any equipment, tools, supplies, materials or other property which is utilized by Contractor on the Project site. All materials and supplies used by Contractor in the Work shall be new and in good condition.
- 10.3 Use of Agency Equipment.** Contractor shall assume the risk and is solely responsible for its use of any equipment owned and property provided by Agency and, if applicable, the

entity for which Contractor is performing the Work, as referenced in Section 1.4, for the performance of Work.

Section 11. WARRANTY.

- 11.1 Nature of Work.** In addition to any and all warranties provided or implied by law or public policy, Contractor warrants that all Work shall be free from defects in design and workmanship, and that Contractor shall perform all Work in accordance with applicable federal, state, and local laws, rules and regulations including engineering, construction and other codes and standards and prudent electrical utility standards, and in accordance with the terms of this Agreement.
- 11.2 Deficiencies in Work.** In addition to all other rights and remedies which Agency may have, Agency shall have the right to require, and Contractor shall be obligated at its own expense to perform, all further Work which may be required to correct any deficiencies which result from Contractor's failure to perform any Work in accordance with the standards required by this Agreement. If during the term of this Agreement or the one (1) year period following completion of the Work, any equipment, supplies or other materials or Work used or provided by Contractor under this Agreement fails due to defects in material and/or workmanship or other breach of this Agreement, Contractor shall, upon any reasonable written notice from Agency, replace or repair the same to Agency's satisfaction.
- 11.3 Assignment of Warranties.** Contractor hereby assigns to Agency all additional warranties, extended warranties, or benefits like warranties, such as insurance, provided by or reasonably obtainable from suppliers of equipment and material used in the Work.

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

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

- 12.3 Contractor is responsible for ensuring that its lower-tier subcontractors are aware of and will comply with the requirements set forth herein.
- 12.4 Agency, or its representatives, may periodically monitor the safety performance of the Contractor performing the Work. Contractors and its subcontractors shall be required to comply with the safety and health obligations as established in the Agreement. Non-compliance with safety, health, or fire requirements may result in cessation of work activities, until items in non-compliance are corrected. It is also expressly acknowledged, understood and agreed that no payment shall be due from Agency to Contractor under this Agreement at any time when, or for any Work performed when, Contractor is not in full compliance with this Section 12.
- 12.5 Contractor shall immediately report any injuries to the Agency site safety representative. Additionally, the Contractor shall investigate and submit to the Agency site safety representative copies of all written accident reports, and coordinate with Agency if further investigation is requested.
- 12.6 Contractor shall take all reasonable steps and precautions to protect the health of its employees and other site personnel with regard to the Work. Contractor shall conduct occupational health monitoring and/or sampling to determine levels of exposure of its employees to hazardous or toxic substances or environmental conditions. Copies of any sampling results will be forwarded to the Agency site safety representative upon request.
- 12.7 Contractor shall develop a plan to properly handle and dispose of any hazardous wastes, if any, Contractor generates in performing the Work.
- 12.8 Contractor shall advise its employees and subcontractors that any employee who jeopardizes his/her safety and health, or the safety and health of others, may be subject to actions including removal from Work.
- 12.9 Contractor shall, at the sole option of the Agency, develop and provide to the Agency a Hazardous Material Spill Response Plan that includes provisions for spill containment and clean-up, emergency contact information including regulatory agencies and spill sampling and analysis procedures. Hazardous Materials shall include diesel fuel used for trucks owned or leased by the Contractor.
- 12.10 **Work Provided Pursuant to Section 1.4.** If Contractor is providing Work to an Agency Member, SCLPPA or SCLPPA member (collectively "Member" solely for the purpose of this section) pursuant to Section 1.4 hereof, then that Member shall have the same rights as the Agency under Sections 12.1, 12.2, 12.4, 12.5, and 12.6 hereof.

Section 13. MISCELLANEOUS PROVISIONS.

- 13.1 **Attorneys' Fees.** If a party to this Agreement brings any action, including an action for declaratory relief, to enforce or interpret the provision of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees in addition to any other relief to which that party may be entitled. The court may set such fees in the same action or in a separate action brought for that purpose.
- 13.2 **Venue.** In the event that either party brings any action against the other under this Agreement, the Parties agree that trial of such action shall be vested exclusively in the state courts of California in the County of Placer or in the United States District Court for the Eastern District of California.
- 13.3 **Severability.** If a court of competent jurisdiction finds or rules that any provision of this Agreement is invalid, void, or unenforceable, the provisions of this Agreement not so adjudged shall remain in full force and effect. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.
- 13.4 **No Implied Waiver of Breach.** The waiver of any breach of a specific provision of this Agreement does not constitute a waiver of any other breach of that term or any other term of this Agreement.
- 13.5 **Successors and Assigns.** The provisions of this Agreement shall inure to the benefit of and shall apply to and bind the successors and assigns of the Parties.
- 13.6 **Conflict of Interest.** Contractor may serve other clients, but none whose activities within the corporate limits of Agency or whose business, regardless of location, would place Contractor in a "conflict of interest," as that term is defined in the Political Reform Act, codified at California Government Code Section 81000 *et seq.*
- Contractor shall not employ any Agency official in the work performed pursuant to this Agreement. No officer or employee of Agency shall have any financial interest in this Agreement that would violate California Government Code Sections 1090 *et seq.*
- 13.7 **Contract Administrator.** This Agreement shall be administered by Ken Speer, Assistant General Manager, or his/her designee, who shall act as the Agency's representative. All correspondence shall be directed to or through the representative.
- 13.8 **Notices.** Any written notice to Contractor shall be sent to:

Maxim Crane Works, L.P.
Attention: Aaron Carrion
7512 Pacific Avenue
Pacific Grove, CA 95668

Any written notice to Agency shall be sent to:

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

With a copy to:

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

- 13.9 Professional Seal.** Where applicable in the determination of the Agency, the first page of a technical report, first page of design specifications, and each page of construction drawings shall be stamped/sealed and signed by the licensed professional responsible for the report/design preparation.
- 13.10 Integration; Incorporation.** This Agreement, including all the exhibits attached hereto, represents the entire and integrated agreement between Agency and Contractor and supersedes all prior negotiations, representations, or agreements, either written or oral. All exhibits attached hereto are incorporated by reference herein.
- 13.11 Alternative Dispute Resolution.** If any dispute arises between the Parties that cannot be settled after engaging in good faith negotiations, Agency and Contractor agree to resolve the dispute in accordance with the following:
- 13.11.1** Each party shall designate a senior management or executive level representative to negotiate any dispute;
- 13.11.2** The representatives shall attempt, through good faith negotiations, to resolve the dispute by any means within their authority.
- 13.11.3** If the issue remains unresolved after fifteen (15) days of good faith negotiations, the Parties shall attempt to resolve the disagreement by negotiation between legal counsel. If the above process fails, the Parties shall resolve any remaining disputes through mediation to expedite the resolution of the dispute.

- 13.11.4 The mediation process shall provide for the selection within fifteen (15) days by both Parties of a disinterested third person as mediator, shall be commenced within thirty (30) days and shall be concluded within fifteen (15) days from the commencement of the mediation.
- 13.11.5 The Parties shall equally bear the costs of any third party in any alternative dispute resolution process.
- 13.11.6 The alternative dispute resolution process is a material condition to this Agreement and must be exhausted as an administrative remedy prior to either Party initiating legal action. This alternative dispute resolution process is not intended to nor shall be construed to change the time periods for filing a claim or action specified by Government Code §§ 900 *et seq.*

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

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

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

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

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

NORTHERN CALIFORNIA POWER AGENCY

MAXIM CRANE WORKS, L.P.

Date _____

Date _____

RANDY S. HOWARD
General Manager

MARK SWANEY, President
West Region

Attest:

Assistant Secretary of the Commission

Approved as to Form:

Assistant General Counsel

**EXHIBIT A
SCOPE OF WORK**

Maxim Crane Works, L.P. ("Contractor") shall provide crane services as requested by the Northern California Power Agency ("Agency") at any Facilities owned or operated by NCPA, its Members, Southern California Public Power Authority (SCPPA) or SCPPA members.

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

- Engineering and Project Management for crane rental projects
- Crane and lift training
- Engineered crane lifts
- Crane rentals and crane rental services
- Rigging services
- Transportation services
- Heavy lifts/Heavy transportation services
- On-site evaluations
- Operated and Maintained Crane Rental
- Base Crane Rental

**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:

Operated & Maintained Equipment

Hydraulic Truck Cranes

Capacity	Hourly Rate	Overtime	Doubletime
40 Ton	\$ 185.00	\$ 225.00	\$ 265.00
50 Ton	\$ 195.00	\$ 235.00	\$ 275.00
60 Ton	\$ 205.00	\$ 245.00	\$ 285.00
70 Ton	\$ 225.00	\$ 265.00	\$ 305.00
75 Ton	\$ 235.00	\$ 275.00	\$ 315.00
90 Ton	\$ 255.00	\$ 295.00	\$ 335.00
90 Ton*	\$ 345.00	\$ 425.00	\$ 505.00
120 Ton*	\$ 370.00	\$ 450.00	\$ 530.00
175 Ton*	\$ 395.00	\$ 475.00	\$ 555.00
185 Ton*	\$ 405.00	\$ 485.00	\$ 565.00
210 Ton*	\$ 435.00	\$ 515.00	\$ 595.00
235 Ton*	\$ 445.00	\$ 525.00	\$ 605.00
275 Ton*	\$ 465.00	\$ 545.00	\$ 625.00
300 Ton*	\$ 520.00	\$ 600.00	\$ 680.00
500 Ton*	\$ 800.00	\$ 880.00	\$ 960.00

Notes:

- Fuel surcharge included in rate
- Bare rental rates are based on monthly = 176 hours
- 4 Hour minimum port x port (1) man Hyd truck cranes
- 8 Hour minimum port x port (2) man Hyd truck cranes
- Operated and Maintained Rough terrains are 8 hour min.
- Local 3 rules apply
- PermitS are not included in rates *Based on Cwt configuration

Cwt Loads maximum basic lift crane

90 Ton*	1	HTC8690	
120 Ton*	2	LTM1160 5.1	*Reduced cwt.
175 Ton*	3	LTM1160 5.1	
185 Ton*	3	LTM1160 5.1	
210 Ton*	4	GMK5210	
235 Ton*	4	LTM 1200/1	
275 Ton*	4	GMK5275	
300 Ton*	5	GMK6300	
500 Ton*	9	LTM 1400 7.1	

Rough Terrain Cranes *8 hour min

Capacity	Hourly Rate	Overtime	Doubletime
30 Ton RT	\$ 165.00	\$ 205.00	\$ 245.00
50 Ton RT	\$ 180.00	\$ 220.00	\$ 260.00
65 Ton RT	\$ 190.00	\$ 230.00	\$ 270.00
75 Ton RT	\$ 195.00	\$ 235.00	\$ 275.00
80 Ton RT	\$ 205.00	\$ 245.00	\$ 285.00
90 Ton RT	\$ 225.00	\$ 265.00	\$ 305.00
100 Ton RT	\$ 245.00	\$ 285.00	\$ 325.00
130 Ton RT	\$ 285.00	\$ 325.00	\$ 365.00

Rough Terrain Cranes Bare rental

Capacity	Weekly Rate	Monthlv rate
30 Ton RT	\$ 1,470.00	\$ 4,400.00
50 Ton RT	\$ 2,300.00	\$ 6,800.00
65 Ton RT	\$ 2,750.00	\$ 8,200.00
75 Ton RT	\$ 3,100.00	\$ 9,200.00
80 Ton RT	\$ 4,000.00	\$ 12,000.00
90 Ton RT	\$ 4,900.00	\$ 14,500.00
100 Ton RT	\$ 5,600.00	\$ 16,800.00
130 Ton RT	\$ 8,000.00	\$ 24,000.00

	Hourly Rate	Overtime	Doubletime
Cwt Trucking	\$ 125.00	\$ 165.00	\$ 205.00
9 Axle Transport	\$ 195.00	\$ 235.00	\$ 275.00
5 Axle Transport	\$ 140.00	\$ 180.00	\$ 220.00

*Added Cwt trucking applies based on required configuration

Excess Crew Time

Operator	\$ 105.00	\$ 145.00	\$ 185.00
Operator/Oiler	\$ 205.00	\$ 285.00	\$ 365.00

*All cranes can be configured for required radius and weight requirement.

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, MARIO BERMUDEZ, Safety 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:

MAXIM CRANE WORKS, L.P.

(Company name)

for contract work at:

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

(Project name and location)

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

(Signature of officer or agent)

Dated this _____ day of _____, 20 _____.

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

EXHIBIT D - NOT APPLICABLE

CERTIFICATION

Affidavit of Compliance for Hazardous Materials Transport Vendors

I, _____,

(Name of person signing affidavit)(Title)

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

(Company name)

for hazardous materials delivery to:

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

(Project name and location)

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

(Signature of officer or agent)

Dated this _____ day of _____, 20 ____.

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

EXHIBIT E

ATTACHMENT A [from MLA]
AGREEMENT TO BE BOUND

MAINTENANCE LABOR AGREEMENT ATTACHMENT
LODI ENERGY CENTER PROJECT

The undersigned hereby certifies and agrees that:

- 1) It is an Employer as that term is defined in Section 1.4 of the Lodi Energy Center Project Maintenance Labor Agreement ("Agreement" solely for the purposes of this Exhibit E) because it has been, or will be, awarded a contract or subcontract to assign, award or subcontract Covered Work on the Project (as defined in Section 1.2 and 2.1 of the Agreement), or to authorize another party to assign, award or subcontract Covered Work, or to perform Covered Work.
- 2) In consideration of the award of such contract or subcontract, and in further consideration of the promises made in the Agreement and all attachments thereto (a copy of which was received and is hereby acknowledged), it accepts and agrees to be bound by the terms and condition of the Agreement, together with any and all amendments and supplements now existing or which are later made thereto.
- 3) If it performs Covered Work, it will be bound by the legally establishes trust agreements designated in local master collective bargaining agreements, and hereby authorizes the parties to such local trust agreements to appoint trustees and successor trustee to administer the trust funds, and hereby ratifies and accepts the trustees so appointed as if made by the undersigned.
- 4) It has no commitments or agreements that would preclude its full and complete compliance with the terms and conditions of the Agreement.
- 5) It will secure a duly executed Agreement to be Bound, in form identical to this documents, from any Employer(s) at any tier or tiers with which it contracts to assign, award, or subcontract Covered Work, or to authorize another party to assign, award or subcontract Covered Work, or to perform Covered Work.

DATED: _____ Name of Employer _____

(Authorized Officer & Title)

(Address)

EXHIBIT F

Acknowledgement of Agreement

This Acknowledgement confirms the intent of _____, a _____ ("Member") to participate in and utilize the Multi-Task Agreement to which this Exhibit is attached, including all other Exhibits attached hereto, between the Northern California Power Agency ("Agency") and _____ ("Contractor") effective _____, 20__ ("Agreement"). Member has reviewed the terms and conditions of the Agreement in detail and agrees to abide by them. It is understood and agreed that payments for Services by Contractor provided to Member shall be paid by Agency and funded by Member to Agency pursuant to a Support Services Program Agreement between Agency and Member. All invoices for Services for Member shall be addressed to Agency.

Further, Member agrees and acknowledges that the terms, conditions, and applicable Exhibits set forth in the Agreement will apply between Member and Contractor.

MEMBER

By: _____

Printed: _____

Title: _____

Date: _____

CONTRACTOR

By: _____

Printed: _____

Title: _____

Date: _____



Commission Staff Report

DATE: March 22, 2016

COMMISSION MEETING DATE: March 31, 2016

SUBJECT: Utility System Efficiencies, Inc. – Five Year Multi-Task Professional Services Agreement for Consulting Services Related to WECC/NERC Reliability Criteria; Applicable to the following projects: All NCPA Facility Locations, Members, SCPA, and SCPA Members

AGENDA CATEGORY: Consent

FROM: Ken Speer Assistant General Manager	METHOD OF SELECTION:
Division: Generation Services	N/A
	<i>If other, please describe:</i>

IMPACTED MEMBERS:

All Members	<input checked="" type="checkbox"/>	City of Lodi	<input type="checkbox"/>	City of Ukiah	<input type="checkbox"/>
Alameda Municipal Power	<input type="checkbox"/>	City of Lompoc	<input type="checkbox"/>	Plumas-Sierra REC	<input type="checkbox"/>
Bay Area Rapid Transit	<input type="checkbox"/>	City of Palo Alto	<input type="checkbox"/>	Port of Oakland	<input type="checkbox"/>
City of Biggs	<input type="checkbox"/>	City of Redding	<input type="checkbox"/>	Truckee Donner PUD	<input type="checkbox"/>
City of Gridley	<input type="checkbox"/>	City of Roseville	<input type="checkbox"/>	Other	<input type="checkbox"/>
City of Healdsburg	<input type="checkbox"/>	City of Santa Clara	<input type="checkbox"/>		<input type="checkbox"/>

If other, please specify.

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

RECOMMENDATION:

Approve Resolution 16-25 authorizing the General Manager or his designee to enter into a Multi-Task Professional Services Agreement with Utility System Efficiencies, Inc. with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$300,000 over five years, for consulting services related to WECC/NERC reliability criteria for use at all facilities owned and/or operated by NCPA, its Members, by the Southern California Public Power Authority ("SCPPA"), or by SCPPA members.

BACKGROUND:

WECC/NERC reliability criteria consulting services are needed at various NCPA facility locations as well as NCPA member and SCPPA member facilities for the operation of the plants. USE is a provider of these services. NCPA has a prior enabling agreement with USE which will expired on April 1, 2016 and now desires to enter into a new enabling agreement.

FISCAL IMPACT:

Total cost of the agreement is not-to-exceed \$300,000 over five years to be used out of NCPA approved budgets as services are rendered. Purchase orders referencing the terms and conditions of the Agreement will be issued following NCPA procurement policies and procedures.

SELECTION PROCESS:

This five year contract does not commit NCPA to any expenditure of funds. When work is required NCPA will bid the specific scope of work consistent with NCPA procurement policies and procedures. NCPA will seek bids from as many qualified consultants 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 work 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 below was reviewed by the Facilities Committee on March 2, 2016 and was recommended for Commission approval.

The recommendation below was reviewed by the Lodi Energy Center Participant Committee on March 14, 2016 and was recommended for Commission approval.

Respectfully submitted,



for RANDY S. HOWARD
General Manager

Prepared by:



KEN SPEER
Assistant General Manager
Generation Services

Attachments: (2)

- Resolution
- Multi-Task Professional Services Agreement with Utility System Efficiencies, Inc.

RESOLUTION 16-25

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

(reference Staff Report #134:16)

WHEREAS, various consulting services related to WECC/NERC reliability criteria are required from time to time by Northern California Power Agency (NCPA), its members, the Southern California Public Power Authority (SCPPA), and SCPPA members; and

WHEREAS, Utility System Efficiencies, Inc. is a provider of these services; and

WHEREAS, on March 14, 2016, the LEC Project Participant Committee approved the agreement with Utility System Efficiencies, Inc. in an amount not-to-exceed \$300,000 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 System Efficiencies, Inc., with any non-substantial changes as approved by the NCPA General Counsel, which shall not exceed \$300,000 over five years for consulting services related to WECC/NERC reliability criteria for use at all facilities owned and/or operated by NCPA, its members, by the Southern California Public Power Authority (SCPPA), or by SCPPA members.

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

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

CAROL GARCIA
CHAIRPERSON

ATTEST:

CARY A. PADGETT
ASSISTANT SECRETARY



**MULTI-TASK PROFESSIONAL SERVICES AGREEMENT BETWEEN
THE NORTHERN CALIFORNIA POWER AGENCY AND
UTILITY SYSTEM EFFICIENCIES, INC.**

This agreement for professional services ("Agreement") is made by and between the Northern California Power Agency, a joint powers agency, with its main office located at 651 Commerce Drive, Roseville, CA 95678-6420 ("Agency") and Utility System Efficiencies, Inc., a corporation, with its office located at 2108 Marchita Way, Carmichael, CA 95608-5029 ("Consultant") (together sometimes referred to as the "Parties") as of _____, 2016 ("Effective Date") in Roseville, California.

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

- 1.1 **Term of Agreement.** The term of this Agreement shall begin on the Effective Date and shall end when Consultant completes the Services, 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 THREE HUNDRED THOUSAND** dollars (\$300,000.00) for the Services, which shall include all fees, costs, expenses and other reimbursables, as set forth in Consultant's fee schedule, attached hereto and incorporated herein as Exhibit B. This dollar amount is not a guarantee that Agency will pay that full amount to the Consultant, but is merely a limit of potential Agency expenditures under this Agreement.

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

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

Invoices shall be sent to:

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

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

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

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

2.5 **Timing for Submittal of Final Invoice.** Consultant shall have ninety (90) days after completion of its Services to submit its final invoice. 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.** Consultant shall maintain professional liability insurance appropriate to Consultant's profession performing work in connection with this Agreement in an amount not less than one million dollars (\$1,000,000.00) and one million dollars (\$1,000,000) 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 "an occurrence" basis.
- 4.4 All Policies Requirements.**
- 4.4.1 Verification of coverage.** Prior to beginning any work under this Agreement, Contractor shall provide Agency with (1) a Certificate of Insurance that demonstrates compliance with all applicable insurance provisions contained herein and (2) policy endorsements to the policies referenced in Section 4.2, adding 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, Agency shall have the right to require the Consultant to provide certificates of insurance and/or policy endorsements, as referenced in Section 4.4.1, naming the specific Agency member, SCPPPA or Agency member for which the Services are to be performed.
- 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. 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, and volunteers from and against any and all claims that arise out of, pertain to or relate to the negligence, recklessness or willful misconduct of the Consultant in its performance of Services under this Agreement. Consultant shall bear all losses, costs, damages, expense and liability of every kind, nature and description that arise out of, pertain to, or relate to such claims, whether directly or indirectly ("Liabilities"). Such obligations to defend, hold harmless and indemnify the Agency shall not apply to the extent that such Liabilities are caused by the sole negligence, active negligence, or willful misconduct of the Agency.

Section 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 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, 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:

Utility System Efficiencies, Inc.
Attention: Daniel H. Wood, P.E., President
2108 Marchita Way
Carmichael, CA 95608-5029

Any written notice to Agency shall be sent to:

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

With a copy to:

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

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

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

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

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

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

- 10.11.3 If the issue remains unresolved after fifteen (15) days of good faith negotiations, the Parties shall attempt to resolve the disagreement by negotiation between legal counsel. If the above process fails, the Parties shall resolve any remaining disputes through mediation to expedite the resolution of the dispute.
- 10.11.4 The mediation process shall provide for the selection within fifteen (15) days by both Parties of a disinterested third person as mediator, shall be commenced within thirty (30) days and shall be concluded within fifteen (15) days from the commencement of the mediation.
- 10.11.5 The Parties shall equally bear the costs of any third party in any alternative dispute resolution process.
- 10.11.6 The alternative dispute resolution process is a material condition to this Agreement and must be exhausted as an administrative prior to either Party initiating legal action. This alternative dispute resolution process is not intended to nor shall be construed to change the time periods for filing a claim or action specified by Government Code §§ 900 *et seq.*
- 10.12 **Controlling Provisions.** In the case of any conflict between the terms of this Agreement and the Exhibits hereto, and Consultant's Proposal (if any), the Agreement shall control. In the case of any conflict between the Exhibits hereto and the Consultant's Proposal, the Exhibits shall control.
- 10.13 **Counterparts.** This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one agreement.
- 10.14 **Construction of Agreement.** Each party hereto has had an equivalent opportunity to participate in the drafting of the Agreement and/or to consult with legal counsel. Therefore, the usual construction of an agreement against the drafting party shall not apply hereto.
- 10.15 **No Third Party Beneficiaries.** This Agreement is made solely for the benefit of the parties hereto, with no intent to benefit any non-signator third parties. 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. If requested by Agency, Member will sign the "Acknowledgement of Agreement", attached hereto as Exhibit D and incorporated herein, prior to receiving Services under the Purchase Order.

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

NORTHERN CALIFORNIA POWER AGENCY

UTILITY SYSTEM EFFICIENCIES, INC.

Date _____

Date _____

RANDY S. HOWARD, General Manager

DANIEL M. WOOD, Chief Financial Officer

Attest:

Assistant Secretary of the Commission

Approved as to Form:

Assistant General Counsel

EXHIBIT A

SCOPE OF SERVICES

Utility System Efficiencies, Inc. ("Consultant") shall provide assistance related to WECC and NERC reliability criteria as requested by the Northern California Power Agency ("Agency") at any Facilities owned and/or operated by NCPA, its Members, Southern California Public Power Authority (SCPPA), or SCPPA members.

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

- Conduct necessary transmission and other studies for impact and Critical Assets;
- Conduct preparatory Compliance Audits;
- Review and comment on NCPA procedures and processes for compliance;
- Provide compliance related documentation as necessary; and
- Represent NCPA before WECC, NERC, etc. regulatory bodies.

EXHIBIT B

COMPENSATION SCHEDULE AND HOURLY FEES

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

BILLING RATES

Billing rates may be based on the tasks performed and not necessarily on the individual performing the work. Notwithstanding, our general professional engineering and other services will be provided at the following rates:

Principal Executive Engineer Consultant	PEEC	\$ 295.00
Senior Executive Engineer Consultant	SEEC	\$ 260.00
Executive Power Systems Engineering	EPSE	\$ 260.00
Principal Power Systems Engineering	PPSE	\$ 230.00
Senior Power Systems Engineering	SPSE	\$ 210.00
Senior Executive Consultant	SEC	\$ 200.00
Environmental and Geographic Information Specialist	EGIS	\$ 140.00
Geographic Information System Specialist	GISS	\$ 125.00
Compliance Administrative Specialist	CAS	\$ 110.00
Executive Administrative Consultant	EAC	\$ 80.00

- Rates for testimony in a regulatory proceeding will be negotiated on a case-by-case basis.
- Other professional staff and/or sub-consultant rates may be added to the project with the concurrence of the Client.
- All general and administrative costs and benefits are included in the direct labor rate.

Pricing for any 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, Daniel M. Wood,

(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:

UTILITY SYSTEM EFFICIENCIES, 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 _____, 2016.

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

EXHIBIT D

Acknowledgement of Agreement

This Acknowledgement confirms the intent of _____, a _____ ("Member") to participate in and utilize the Multi-Task Agreement to which this Exhibit is attached, including all other Exhibits attached hereto, between the Northern California Power Agency ("Agency") and _____ ("Consultant") effective _____, 2016 ("Agreement"). Member has reviewed the terms and conditions of the Agreement in detail and agrees to abide by them. It is understood and agreed that payments for Services by Consultant provided to Member shall be paid by Agency and funded by Member to Agency pursuant to a Support Services Program Agreement between Agency and Member. All invoices for Services for Member shall be addressed to Agency.

Further, Member agrees and acknowledges that the terms, conditions, and applicable Exhibits set forth in the Agreement will apply between Member and Consultant.

MEMBER

By: _____

Printed: _____

Title: _____

Date: _____

CONSULTANT

By: _____

Printed: _____

Title: _____

Date: _____



Commission Staff Report

DATE: March 21, 2016

COMMISSION MEETING DATE: March 31, 2016

SUBJECT: Approval of Long-term Funding Plan for the NCPA Retiree Medical Plan
(Post Employment Benefits Other than Pensions)

AGENDA CATEGORY: Discussion/Action

FROM: Donna Stevener	METHOD OF SELECTION:
TITLE: AGM Admin Services/CFO	
Division: Administrative Services	N/A
	<i>If other, please describe:</i>

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

<i>Place an X in the box next to the applicable Member(s) above.</i>		

RECOMMENDATION:

That the NCPA Commission approves Resolution 16-23 establishing a Long-term Funding Plan for the NCPA Retiree Medical Plan (Plan).

BACKGROUND:

In June of 1992 the NCPA Commission established a Retirement Medical Reserve Account to provide medical insurance benefits for eligible retired employees. Over the years, money has been accumulated in a reserve and invested by the NCPA Treasurer/Controller to cover the estimated liability for this benefit going forward as determined on an actuarial basis. In 2008, the Governmental Accounting Standards Board (GASB) began requiring disclosures in annual financial statements about unfunded liabilities for Other Post-Employment Benefits (OPEB) such as the NCPA Retiree Medical Plan, and in 2018 this liability will be recorded on the balance sheet as a liability. In 2007 CalPERS developed a trust fund program to hold and invest funds for these types of benefit programs and administer the disbursements. At that time, NCPA elected to transfer the reserve to CalPERS for investment and administration. Under the CalPERS Prefunding Trust Fund program, an actuarial report is required every 2 years to update the required contribution levels of the plan.

In October 2015, NCPA received the most recent actuarial report for the Retiree Medical Plan. The unfunded liability in the most recent report increased from the 2013 report as follows:

	In millions	
	<u>2013</u>	<u>2015</u>
Accrued Actuarial Liability	\$22.5	\$36.7
Assets	<u>17.5</u>	<u>22.3</u>
Unfunded AAL	\$ 5.0	\$ 14.4
Funded %	78.0%	60.7%
Annual Required Contribution (ARC)	\$ 0.9	\$ 2.3

The large increase in the unfunded liability (from 5.0 million to \$14.4 million) and reduction in funding level (78% funded to 60.7%) was primarily due to changes in actuarial assumptions (increased health care costs, lower investment returns, retirees living longer and retiring sooner), changes in amortization methodology (from percentage of payroll to fixed amortization over 28 years), and changes in actuarial standards based on new accounting standards from GASB related to pension and OPEB accounting.

Prudent financial planning suggests that the development of a long-term plan to move this unfunded liability above a minimum 80% funding threshold is needed. Rating Agencies such as Standard & Poor's include the funding of pension and other post retirement obligations as a part of their assessment of a company's credit rating, and recent reports have indicated a funding level less than 80% could have a negative impact on their assessment of a company.

In addition, NCPA is actively seeking new members to improve economies of scale and reduce costs for the current membership. Large liabilities such as this could deter potential members as was evidenced when the City of Shasta Lake expressly asked for information about NCPA's financial stability before making a decision to join.

Another reason to address this issue is the possible shutdown of several NCPA projects. Project participants are considering options to close both the CT1 and the CT2 projects in the next ten years. As end of life decisions are made for these projects, large liabilities related to the employees at these facilities will be a consideration in the decision of when to decommission. Earlier funding of the liability will make it much easier to transition these projects out of the portfolio.

Based on the above, the Finance Committee has considered various components of a Long-Term Funding Plan for the NCPA Retiree Medical Plan over the last five months. After due consideration and study of options, including budget impacts by each member, the Finance Committee recommends that the Commission approve a formal long term funding plan with the following components:

- Work with the labor unions to develop a strategy for future union contracts to cap health care premiums in such a way as to reduce the unfunded liability for retirees (note that the intent is to begin discussions with the unions this summer)
- Shorten the amortization period used in the actuarial calculations from 28 years to 15 years and fund the increased Annual Required Contribution (ARC) of \$395,000 beginning in FY 2018 (note an alternate proposal is to begin funding this additional amount in FY 2017, one year sooner)
- Consider using budget savings from fiscal year 2016 settlements in January 2017 to fund the additional contribution of \$395,000 for FY 2017; staff will prepare a status report on discussions with the labor unions prior to seeking additional funding. (this option can be eliminated if funding is included in the FY17 budget)
- If new revenues are realized from new members or new services, consider using such revenue to reduce the additional funding requirement (not to be finalized until a policy about allocation of new revenues is decided by the Commission)
- Conduct a new actuarial valuation in 2017 and provide recommended adjustments to the plan based on the updated data at that time

The proposal approved by the Finance Committee is attached as Option 1 to the staff report. Another alternative to consider, would be starting additional payments one year earlier, with additional funding beginning in FY17. This option is attached as Option 2 to the staff report and differences between the options are highlighted in red. The current draft budget for FY17 does include the additional \$395,000 funding level. If the Option 1 (FY18 funding option) is approved, the draft FY17 budget will be reduced by \$395,000. If Option 2 is approved, the draft budget will remain as is.

FISCAL IMPACT:

Adoption of the Long-term Funding Plan as outlined would increase annual required contributions to the NCPA Retiree Medical Plan (ARC) by \$395,000. Cost allocation of this amount is based on labor costs for each NCPA program and project. Labor costs are allocated based on project or program participation percentages and allocation methods per the budget. A schedule showing fiscal impact by member is attached.

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 Finance Committee on March 11, 2016 and was unanimously recommended for Commission approval with four members present.

Respectfully submitted,



RANDY S. HOWARD
General Manager

Attachments:

- Analysis of Funding By Member
- Resolution 16-23
- PowerPoint Presentation
- Long-Term Funding Plan for NCPA Retiree Medical Plan – Option 1 (FY 18 Implementation)
- Long-Term Funding Plan for NCPA Retiree Medical Plan – Option 2 (FY 17 Implementation)

Participant	2017 OPEB Increase - 15 Yr Funding of Liability
Alameda	\$ 41,893
BART	\$ 11,296
Biggs	\$ 1,769
Gridley	\$ 3,430
Healdsburg	\$ 10,200
Lodi	\$ 42,540
Lompoc	\$ 12,311
Palo Alto	\$ 29,599
Plumas Sierra	\$ 7,032
Port of Oakland	\$ 3,516
Redding	\$ 2,346
Roseville	\$ 27,398
Santa Clara	\$ 137,944
Truckee-Donner	\$ 719
TID	\$ 9,244
Ukiah	\$ 14,823
Asuza	\$ 2,184
CDWR	\$ 26,264
MID	\$ 8,400
PWRPA	\$ 2,092
	\$ 395,000

RESOLUTION 16-23

RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY APPROVING A LONG-TERM FUNDING PLAN FOR THE NCPA RETIREE MEDICAL PLAN (POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS)

(reference Staff Report #132:16)

WHEREAS, the Northern California Power Agency ("NCPA") established a Retirement Medical Reserve Account in June of 1992, which was restricted to pay only the medical insurance premiums and associated benefit costs of its eligible retired employees; and

WHEREAS, the Agency obtains an updated actuarial report at least every two years to help ensure the Retirement Medical Reserve Account target funding level is appropriately adjusted on a timely basis. Over the years, the NCPA Commission has changed the benefits of the plan, and each year the funding level is adjusted to achieve 100% funding of the liability. As circumstances change, the funding level also changes; and

WHEREAS, in October 2015, NCPA received the most recent actuarial report for the Retiree Medical Plan which resulted in a large increase in the unfunded liability (from 5.0 million to \$14.4 million) and reduction in funding level (78% funded to 60.7%) primarily due to changes in actuarial assumptions (increased health care costs, lower investment returns, retirees living longer and retiring sooner), changes in amortization methodology (from percentage of payroll to fixed amortization over 28 years), and changes in actuarial standards based on new accounting standards from GASB related to pension and OPEB accounting; and

WHEREAS, the NCPA Finance Committee recommends that the Commission approve a formal long term funding plan to ensure that the Retirement Medical Reserve Account is funded at a minimum level of 80% within 15 years and continued funding of the annual required contribution at 100%; and

WHEREAS, staff has presented the Commission with two long term funding plan options and the Commission has selected Option X as the preferred Long Term Funding Plan to implement; 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 the long-term funding plan for the Retirement Medical Reserve Account attached to this Resolution.

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

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

 CAROL GARCIA
 CHAIRPERSON

ATTEST: _____
 CARY A. PADGETT
 ASSISTANT SECRETARY

Retiree Medical Actuarial Long-term Funding Plan

Commission Meeting
March 31, 2016

March 24, 2016

1

The Issue

- Changes in actuarial assumptions and market losses to assets have increased the unfunded liability for the NCPA Retiree Medical Plan by substantial amounts
- Prudent financial planning suggests development of a plan to fully fund this obligation is needed

March 24, 2016

2

Changes from FY 2013 Valuation Report

- Major changes in assumptions
 - Health care costs increased (4.5% to 6%) in 2013 to (4.5% to 7.75%) - includes impact of 40% excise tax
 - Investment return (discount rate) lowered from 7.61% to 7.0%
 - Mortality assumptions (living longer)
 - Retirement assumptions
- Changes in amortization methodology
 - Changed from % of payroll method (negative amortization) to level amortization (28 years)
- Changes in actuarial standards (Implicit Rate Subsidy included for subsidized rates for retirees) and GASB 45 requirements

March 24, 2016

3

Quantifying the Issue

	In millions <u>2013</u>	In millions <u>2015</u>
▪ Accrued Actuarial Liability	\$22.5	\$36.7
▪ Assets	<u>17.5</u>	<u>22.3</u>
▪ Unfunded AAL	\$5.0	\$14.4
▪ Funded %	78.0%	60.7%
▪ Annual Required Contribution (ARC)	\$0.9	\$2.3
<ul style="list-style-type: none"> ▪ Funding % down substantially due to changes in assumptions ▪ ARC increases \$1.4 million over current budget 		

March 24, 2016

4

Reasons to Stabilize the Retiree Medical Plan

- Minimum funding of post retirement obligations per Rating Agency recommendations is 80%;

From S & P Report:

Qualitative Factors Negatively Affecting The Initial Assessment Include:

Concerns about pension funding, which could be evidenced by a funded ratio of less than 80%, an actuarial study that is more than three years old, or a trend of not fully funding the annual required contribution for the pension or postemployment benefits

- NCPA is actively seeking new members to improve economies of scale; a large liability may be a negative factor in expanding membership
- End of life is approaching for certain plants; funding of liability could occur sooner, rather than the 28 years assumed in the actuarial calculations



RatingsDirect

U.S. Local Government: Growing Tax Base And Good Management Underpin Stable Outlook, Despite Some Pension And OPEB Stress

5

Strategies Proposed

- Negotiate health care premiums to cap exposure (will require future union negotiations)
 - Union agreed to participate in the solution
- Review impact of shorter amortization of unfunded liability
 - Looked at various scenarios and impact (by member)

Proposed Long-term Funding Plan

- Options considered:

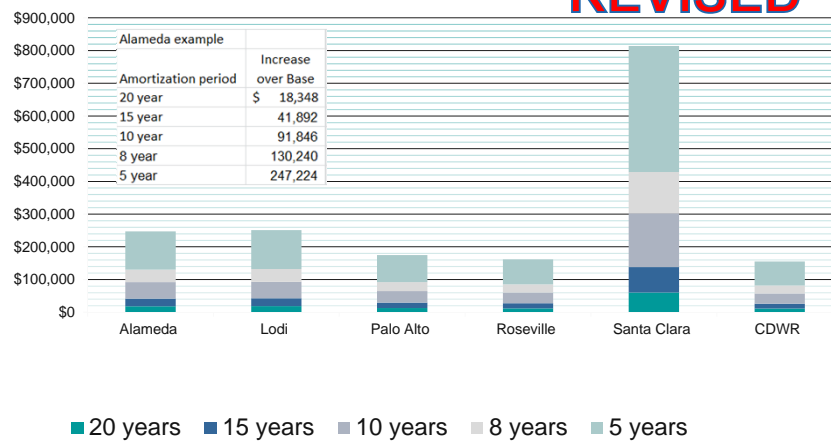
		Change From 2017 ARC	Changes between Scenarios	Percent increase to NCPA budget \$642mm
New 2017 ARC	\$ 2,302,000			
20 Yr Funding	2,475,000	173,000	173,000	0.0269%
15 Yr Funding	2,697,000	395,000	222,000	0.0615%
10 Yr Funding	3,168,000	866,000	471,000	0.1348%
8 Yr Funding	3,530,000	1,228,000	362,000	0.1911%
5 Yr Funding	4,633,000	2,331,000	1,103,000	0.3627%

March 24, 2016

7

Financial Impact of Funding Options – By Year

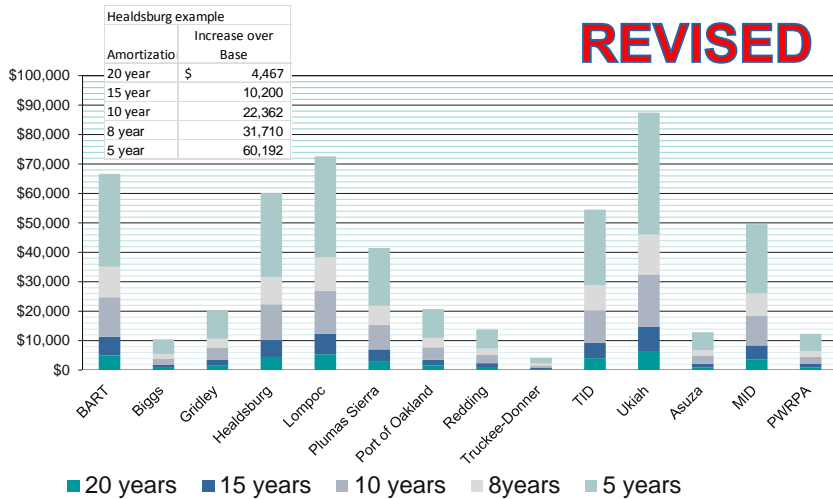
REVISED



March 24, 2016

8

Financial Impact of Funding Options – By Year



March 24, 2016

9

Recommendation from Finance Committee – Option 1

- Establish plan to reduce retiree medical liability including:
 - Negotiate health care premiums to cap exposure over the next several years
 - Shorten amortization of unfunded liability from 28 years to 15 years beginning FY18
 - ARC funding goes from \$2.3 million to \$2.7 million
 - Consider using budget savings from FY 16 to fund FY 17 additional contribution of \$395k after report out on negotiations with labor (January 2017)
 - Consider using new services revenues to offset a portion of the additional funding each year
- Plan to conduct new Actuarial Valuation in FY 2017 and adjust plan as necessary

March 24, 2016

10

Option 2

- Same as Option 1 except implement in FY17:
 - Negotiate health care premiums to cap exposure over the next several years
 - Shorten amortization of unfunded liability from 28 years to 15 years beginning ~~FY18~~ **FY 17**
 - ARC funding goes from \$2.3 million to \$2.7 million
 - ~~Consider using budget savings from FY 16 to fund FY 17 additional contribution of \$395k after report out on negotiations with labor (January 2017)~~
 - Consider using new services revenues to offset a portion of the additional funding each year
- Plan to conduct new Actuarial Valuation in FY 2017 and adjust plan as necessary

March 24, 2016

11

Questions?

March 24, 2016

12

Long Term Funding Plan for NCPA Retiree Medical Plan

March 31, 2016

Background

In June of 1992 the NCPA Commission established a Retirement Medical Reserve Account to provide medical insurance benefits for eligible retired employees. Over the years, money has been accumulated in a reserve and invested by the NCPA Treasurer/Controller to cover the estimated liability for this benefit going forward as determined on an actuarial basis. This actuarially calculated annual contribution, also referred to as the ARC, has been included in the NCPA budget annually since 1998. Over the years, the NCPA Commission has changed the benefits of the plan, and each year the funding level is adjusted to achieve 100% funding of the liability for this program over time. As circumstances change, the funding level also changes. In 2002, the fund was 100% funded, however that level has dropped in recent years to the 70-80% range.

In 2007, NCPA transferred administration and investment of the Retiree Medical Reserve Account to CalPERS to provide for higher investment returns. CalPERS requires an actuarial report be completed every two years to update the required contribution levels or ARC. In October 2015, the most recent actuarial report was issued, and due to changes in actuarial assumptions, accounting standards and amortization methodology, the ARC was increased substantially and the unfunded liability went from 78.0% funded to only 60.7% funded.

To stabilize the Retiree Medical plan and reduce the unfunded liability over a shorter amortization period, the NCPA Commission has adopted the following long term funding plan.

Plan Elements

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

Best practices and guidelines from the various credit rating agencies indicate that a minimum funding level of 80% is desired, as well as funding 100% of the ARC and conducting actuarial valuations at least every 3 years. NCPA's current practice is to fund 100% of the ARC and to conduct the actuarial study at least every 2 years as required by the CalPERS Prefunding Trust Agreement.

2. Reduce actuarial liability by developing a cap for health care premiums going forward

This long-term strategy includes working closely with the labor unions to develop changes to the medical benefit plans that can cap or reduce the health care costs assumed in the actuarial calculations. Health care increases are a key driver of the calculated liability in the actuarial studies. This strategy will include possible contract changes with the labor unions over the next several years.

3. Shorten the amortization period used in the actuarial calculations from 28 years to 15 years

This strategy will increase the ARC by approximately \$395,000 a year, but will shorten the period of payments for the liability, similar to refinancing a mortgage over 15 years versus 30 years. Funding of this additional payment will begin in FY 2018.

4. Consider budget savings during the annual billing settlements process to determine if funds are available for additional contributions to begin prepaying this liability in FY 2017

At the close of each fiscal year, NCPA performs a settlement process which refunds to members any over collections from the prior fiscal year. This strategy would review the level of billing refunds for the FY 2016 settlements in January 2017 and determine if \$395,000 of the refund should be applied to the ARC in FY 2017; in essence funding the shortened amortization period one year earlier with budget savings from FY 2016. Prior to proposing any additional funding sources for FY 17, a status report on the efforts with the labor unions to cap medical premiums will be provided to the Finance Committee and the Commission.

5. Consider additional funding sources for increased funding of the ARC, including further budget reductions or new revenues (from members or new services/customers)

In an effort to minimize additional costs to the members, cost reductions, savings from the budget and possible allocation of new revenues will be considered as sources of funding for the increased costs for this long-term funding plan. Further Commission review will be required as to details of this strategy and action will be contingent on the realization of new revenues and budget savings.

6. Conduct a new actuarial study in 2017 to obtain the status of the plan and review with the Finance Committee

As with every strategy, periodic review is important. In accordance with best practices, NCPA will conduct a new actuarial study in 2017 (minimum of 2 years) to determine the new funding levels and assess the unfunded liability at that time. A review of this Long Term Funding Plan will occur after the study is completed in order to adapt or change the plan as needed.

Long Term Funding Plan for NCPA Retiree Medical Plan

March 31, 2016

Background

In June of 1992 the NCPA Commission established a Retirement Medical Reserve Account to provide medical insurance benefits for eligible retired employees. Over the years, money has been accumulated in a reserve and invested by the NCPA Treasurer/Controller to cover the estimated liability for this benefit going forward as determined on an actuarial basis. This actuarially calculated annual contribution, also referred to as the ARC, has been included in the NCPA budget annually since 1998. Over the years, the NCPA Commission has changed the benefits of the plan, and each year the funding level is adjusted to achieve 100% funding of the liability for this program over time. As circumstances change, the funding level also changes. In 2002, the fund was 100% funded, however that level has dropped in recent years to the 70-80% range.

In 2007, NCPA transferred administration and investment of the Retiree Medical Reserve Account to CalPERS to provide for higher investment returns. CalPERS requires an actuarial report be completed every two years to update the required contribution levels or ARC. In October 2015, the most recent actuarial report was issued, and due to changes in actuarial assumptions, accounting standards and amortization methodology, the ARC was increased substantially and the unfunded liability went from 78.0% funded to only 60.7% funded.

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2. Reduce actuarial liability by developing a cap for health care premiums going forward

This long-term strategy includes working closely with the labor unions to develop changes to the medical benefit plans that can cap or reduce the health care costs assumed in the actuarial calculations. Health care increases are a key driver of the calculated liability in the actuarial studies. This strategy will include possible contract changes with the labor unions over the next several years.

3. Shorten the amortization period used in the actuarial calculations from 28 years to 15 years

This strategy will increase the ARC by approximately \$395,000 a year, but will shorten the period of payments for the liability, similar to refinancing a mortgage over 15 years versus 30 years. Funding of this additional payment will begin in FY-~~2018~~2017.

~~4. Consider budget savings during the annual billing settlements process to determine if funds are available for additional contributions to begin prepaying this liability in FY 2017~~

~~Each year at the close of the fiscal year, NCPA performs a settlement process which refunds to members any over collections from the prior fiscal year. This strategy would review the level of billing refunds for the FY 2016 settlements in January 2017 and determine if \$395,000 of the refund should be applied to the ARC in FY 2017; in essence funding the shortened amortization period one year earlier with budget savings from FY 2016. Prior to proposing any additional funding sources for FY 17, a status report on the efforts with the labor unions to cap medical premiums will be provided to the Finance Committee and the Commission.~~

5.4. Consider additional funding sources for increased funding of the ARC, including further budget reductions or new revenues (from members or new services/customers)

In an effort to minimize additional costs to the members, cost reductions, savings from the budget and possible allocation of new revenues will be considered as sources of funding for the increased costs for this long-term funding plan. Further Commission review will be required as to details of this strategy and action will be contingent on the realization of new revenues and budget savings.

6.5. Conduct a new actuarial study in 2017 to obtain the status of the plan and review with the Finance Committee

As with every strategy, periodic review is important. In accordance with best practices, NCPA will conduct a new actuarial study in 2017 (minimum of 2 years) to determine the new funding levels and assess the unfunded liability at that time. A review of this Long Term Funding Plan will occur after the study is completed in order to adapt or change the plan as needed.



Commission Staff Report

DATE: March 21, 2016

COMMISSION MEETING DATE: March 31, 2016

SUBJECT: Proposed Annual Budget for Fiscal Year 2017 – Status Report and Budget Preview

AGENDA CATEGORY: Informational

FROM: Donna Stevener Assistant General Manager/CFO	METHOD OF SELECTION:
Division: Administrative Services	N/A
	<i>If other, please describe:</i>

IMPACTED MEMBERS:

All Members	<input checked="" type="checkbox"/>	City of Lodi	<input type="checkbox"/>	City of Ukiah	<input type="checkbox"/>
Alameda Municipal Power	<input type="checkbox"/>	City of Lompoc	<input type="checkbox"/>	Plumas-Sierra REC	<input type="checkbox"/>
Bay Area Rapid Transit	<input type="checkbox"/>	City of Palo Alto	<input type="checkbox"/>	Port of Oakland	<input type="checkbox"/>
City of Biggs	<input type="checkbox"/>	City of Redding	<input type="checkbox"/>	Truckee Donner PUD	<input type="checkbox"/>
City of Gridley	<input type="checkbox"/>	City of Roseville	<input type="checkbox"/>	Other	<input type="checkbox"/>
City of Healdsburg	<input type="checkbox"/>	City of Santa Clara	<input type="checkbox"/>		<input type="checkbox"/>

If other, please specify.

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

RECOMMENDATION:

Recommend that the Commission receive and file this budget preview report.

BACKGROUND:

In October 2015, the Commission approved budget guidance for the NCPA FY 2017 Annual Budget. Staff began preparation of the proposed budget during the following months. In January, February and March 2016, presentations to various Commission Committees occurred and the first draft of the budget was released in early March. In March the Utility Directors reviewed the draft budget at the Utility Director Retreat.

Based on input received at these various review meetings, staff continues to further refine the budget. Highlights of the proposed FY 2017 budget are discussed below.

This proposed budget totals \$337.5 million (net of revenues). Overall results are a 3.8% or \$12.5 million dollars increase over the FY 2016 budget. Budget changes include:

- Overall operating costs (non-personnel related) are 2.3% above 2016 levels, below the 2.4% increase target established by the Commission.
- Addition of 1.5 additional FTE position proposed in Human Resources/Administration (0.5) and Power Settlements (1) to cover new services for members and potential new customers.
- Increase in actuarial requirements for PERS pension and retiree medical benefits, increased health care premiums and negotiated salary increases with the unions resulted in increased labor costs from last year of \$2.7 million or 8.0%.
- Debt service costs continue at higher levels due to federal budget cuts to the Build America Bonds interest subsidy program (\$0.5 million). Restoration of this funding continues to be a focus of current advocacy efforts in Washington DC.
- Increased California Independent System Operator grid costs (\$9.3 million) due to addition of statewide transmission projects into the charges.
- Lower fuel costs due to low natural gas prices (\$5.6 million).
- Reductions at various generating plants for funding of projects (\$0.2 million) and reduced property insurance and other costs (\$0.4 million).
- Lower power prices with stable load projections (\$0.3 million).
- Lower revenues from energy sales and ancillary services due to lower prices (\$4.2 million).

Still under consideration are the following:

- Transmission Agency of Northern California Budget not yet complete.
- CAISO Transmission Access Charges may increase; rates were increased last week to levels above the assumptions in the current draft budget.
- Shift of labor costs between programs will impact labor and A & G allocations.
- Reduce project funding at Hydroelectric plant by \$625,000 (recommended by Facilities Committee).
- Possible reduction in Lodi Energy Center (LEC) budget due to large refund from cancelled CAISO Transmission project funded in previous years (\$4.0 million).
- Shift of \$91,000 capital project from CT2 (STIG) to LEC (recommended by Facilities Committee) and increase DCS project at LEC by \$100,000.
- Reduction of \$127,000 in Generation Services Admin budget (recommended by Facilities Committee).

- Change in certain Participant Pass Through costs due to shifts in member participation (BAMX).
- Possible removal of additional \$395,000 retiree medical plan funding, which shortens amortization period of liability from 28 years to 15 years (Utility Directors recommend leaving in the budget).

A summary of the proposed budget is attached. To provide a more detailed preview, staff will provide a brief PowerPoint presentation at the Commission meeting outlining the major changes in the budget from last year.

FISCAL IMPACT:

Total proposed annual budget cost for FY 2016-2017 is approximately \$337.5 million as summarized in the attached schedule, although further changes are under consideration. Preliminary funding by members is also attached, although further changes are expected to the funding by members due to correction/revision of certain allocations and changes in various determinants and budget programs.

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 Legislative and Regulatory (L&R) Committee reviewed the L&R Program budget at their meeting on February 24, 2016 and unanimously approved the proposed program budget and recommended approval by the full NCPA Commission.

The Facilities Committee reviewed the Generation Services (except LEC), Power Management and Administrative Services/Executive Services budget at their meeting on March 16, 2016 and unanimously recommended the proposed budgets with changes listed above.

The proposed budget is still under review by the Lodi Energy Center Participants Committee and a recommendation for approval is expected by April after further consideration of how to handle the large transmission project refund dollars. It is expected that the proposed budget will be presented for final approval by the Commission at the April 21, 2016 meeting.

Respectfully submitted,



RANDY S. HOWARD
General Manager

Attachments:

- Budget Summary
- Participant Funding Summary
- PowerPoint Preview


NORTHERN CALIFORNIA POWER AGENCY
ANNUAL BUDGETS

	FISCAL YEAR ENDED JUNE 30			Budget %
	2016	Inc/(Dec)	Proposed 2017	
<u>GENERATION RESOURCES</u>				
NCPA Plants				
Hydroelectric	\$ 28,770,671	\$ 3,631,229	\$ 32,401,900	9.6%
Geothermal	(117,051)	1,292,437	1,175,386	0.3%
Combustion Turbine No. 1	2,821,409	(279,785)	2,541,624	0.8%
Combustion Turbine No. 2 (STIG)	7,896,812	186,251	8,083,063	2.4%
Lodi Energy Center	28,320,204	(1,354,229)	26,965,975	8.0%
	67,692,045	3,475,903	71,167,948	21.1%
Member Resources - Energy	39,011,876	6,625,818	45,637,694	13.5%
Member Resources - Natural Gas	850,359	825,079	1,675,438	0.5%
Western Resource	19,838,319	152,657	19,990,976	5.9%
Market Power Purchases	42,913,205	(3,610,842)	39,302,363	11.6%
Load Aggregation Costs	59,831,915	(3,819,954)	56,011,961	16.6%
Net GHG Obligations	3,029,825	(489,915)	2,539,910	0.8%
	165,475,499	(317,157)	165,158,342	48.9%
	233,167,544	3,158,746	236,326,290	70.0%
<u>TRANSMISSION</u>				
Independent System Operator				
Grid Management Charge (GMC)	3,393,692	406,216	3,799,908	1.1%
GMC Wheeling	70,278,323	9,051,076	79,329,399	23.5%
Ancillary Services (AS)	1,419,670	1,532	1,421,202	0.4%
Other Charges	920,067	(112,092)	807,975	0.2%
	76,011,752	9,346,732	85,358,484	25.3%
<u>MANAGEMENT SERVICES</u>				
Legislative & Regulatory				
Legislative Representation	1,820,837	82,578	1,903,415	0.6%
Regulatory Representation	767,266	29,578	796,844	0.2%
Western Representation	792,801	4,701	797,502	0.2%
Member Support Services	459,799	(25,791)	434,008	0.1%
	3,840,703	91,066	3,931,769	1.2%
Judicial Action	625,000	-	625,000	0.2%
Power Management				
System Control And Load Dispatch:				
Dispatch & Real-time Resource Management	2,079,039	190,831	2,269,870	0.7%
Schedule Coordination	2,313,328	(115,594)	2,197,734	0.7%
System Control. And Data Acquisition	958,353	(50,004)	908,349	0.3%
WECC/NERC Compliance & Participation	233,311	(61,507)	171,805	0.1%
	5,584,031	(36,274)	5,547,757	1.6%

NORTHERN CALIFORNIA POWER AGENCY
ANNUAL BUDGETS


Continued


	FISCAL YEAR ENDED JUNE 30			Budget %
	2016	Inc/(Dec)	Proposed 2017	
Forecasting Planning, Prescheduling & Trading				0.0%
Forecasting	635,203	4,118	639,321	0.2%
Resource Planning, Optimization, Risk Analysis & Mgmt.	492,503	(7,218)	485,285	0.1%
Power & Fuel Transactions	130,035	77	130,112	0.0%
Pre-Scheduling	767,809	26,352	794,161	0.2%
Power Pool Oper. & Settlement Standards	291,582	54,973	346,554	0.1%
Facilities Agreement Administration	160,992	911	161,903	0.0%
	2,478,123	79,212	2,557,335	0.8%
Industry Restructuring & Regulatory Affairs	403,676	10,772	414,448	0.1%
Contract Admin, interconnection Svcs & External Affairs:				
Contract Maint, Negotiation and Administration & Litigation	788,839	68,147	856,987	0.3%
TANC Representation & Advocacy	15,645	1,172	16,817	0.0%
Western Representation & Advocacy	157,967	10,669	168,636	0.0%
Pooling Agreement Coordination and Administration	89,529	6,334	95,863	0.0%
	1,051,980	86,323	1,138,303	0.3%
Green Power Project	36,344	(18,718)	17,626	0.0%
Gas Purchase Program	69,182	17,389	86,571	0.0%
Market Purchase Power Project	114,079	11,193	125,272	0.0%
Power Management Direct Cost to Programs	(1,228,543)	(99,237)	(1,327,780)	-0.4%
	8,508,872	50,660	8,559,532	2.5%
Energy Risk Management				
ROC, RMC Meetings & Activities	72,151	(10,396)	61,755	0.0%
Counter-party Credit Review & Analysis	132,243	18,297	150,540	0.0%
	204,394	7,901	212,295	0.1%
Settlements				
Deal Control Validation & Monitoring	259,330	34,636	293,966	0.1%
ISO Data Validation & Monitoring	408,054	38,360	446,414	0.1%
	667,384	72,996	740,380	0.2%
Integrated Systems Support	532,573	(221,509)	311,064	0.1%
	14,378,926	1,114	14,380,040	4.3%
<u>PARTICIPANT PASS THROUGH COSTS (TANC, DUES, ETC)</u>	1,444,264	(10,687)	1,433,577	0.4%
TOTAL NET ANNUAL BUDGET COST	\$ 325,002,486	\$ 12,495,905	\$ 337,498,391	100.0%


 NORTHERN CALIFORNIA POWER AGENCY

NCPA Commission Budget Preview

March 31, 2016



 NORTHERN CALIFORNIA POWER AGENCY

 NORTHERN CALIFORNIA POWER AGENCY


STRATEGIC PLAN 2016

MISSION
To provide our members cost effective wholesale power, energy-related services, and advocacy on behalf of public power consumers through joint action.

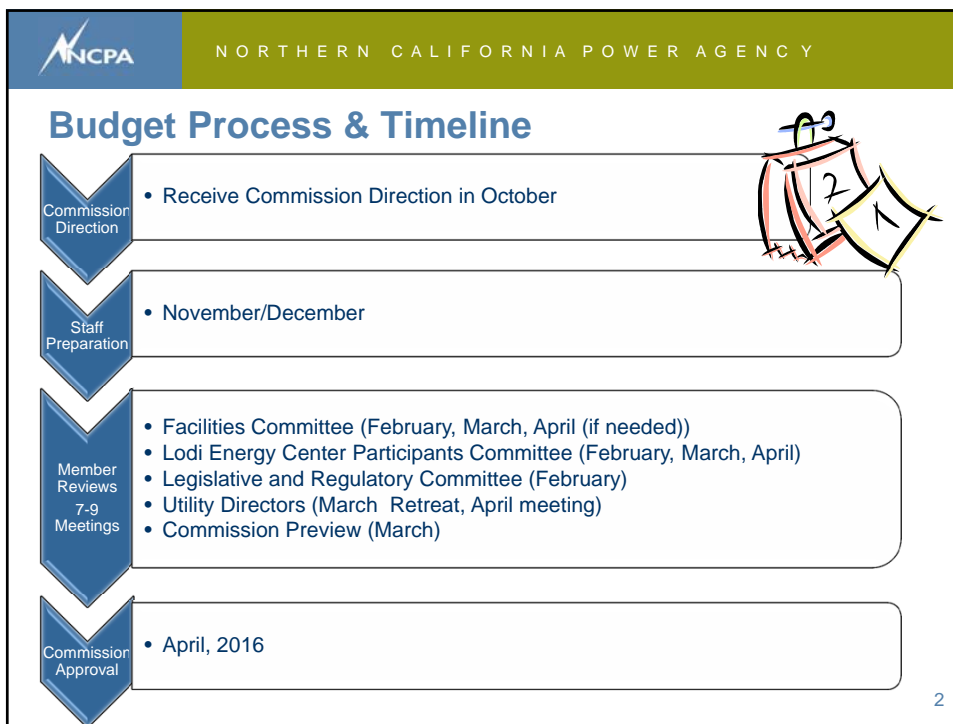
VISION
To be the premier provider of energy services to public entities.

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.

 NORTHERN CALIFORNIA POWER AGENCY

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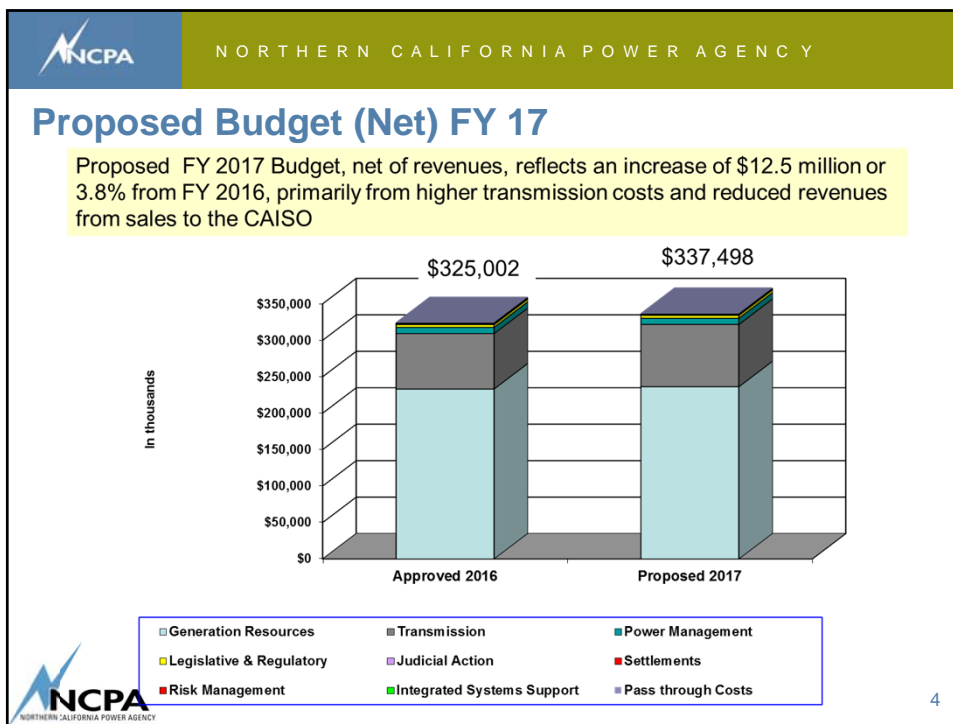
NCPA Commission Budget Direction – FY 2017

Operating costs limited to 2.4% increase for FY 2017

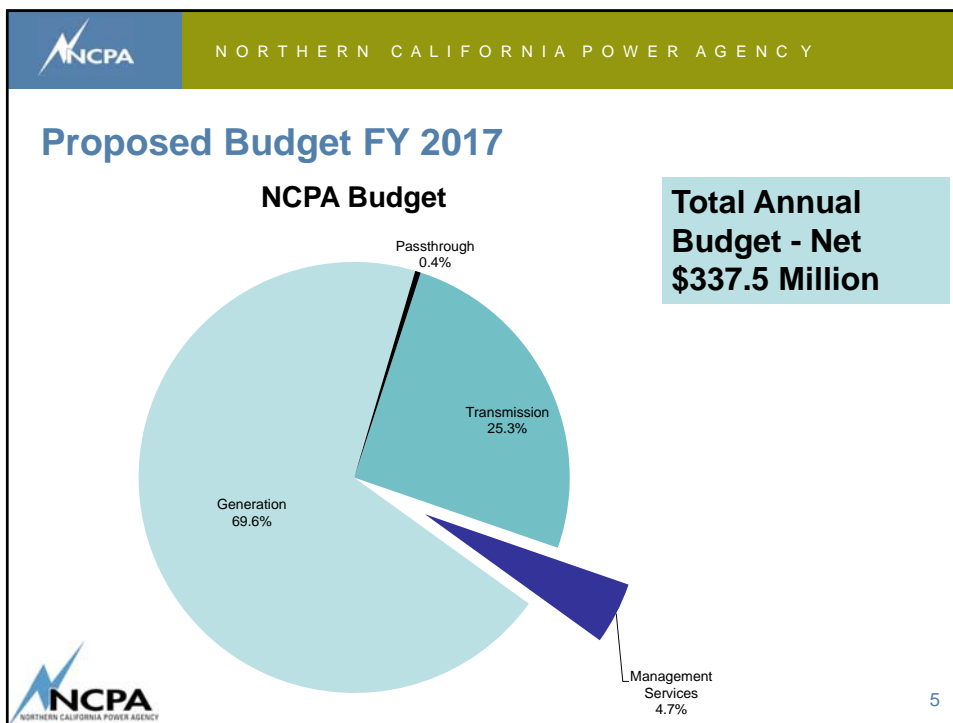
- NCPA FY 2017 non-personnel budget proposed to come in above FY 2016 by 2.3%; below the target;
- Labor costs up 8%
- Addition of 1.5 FTE headcount for new services (1 FTE in Settlements and 0.5 FTE in HR)

March 24, 2016

3



4

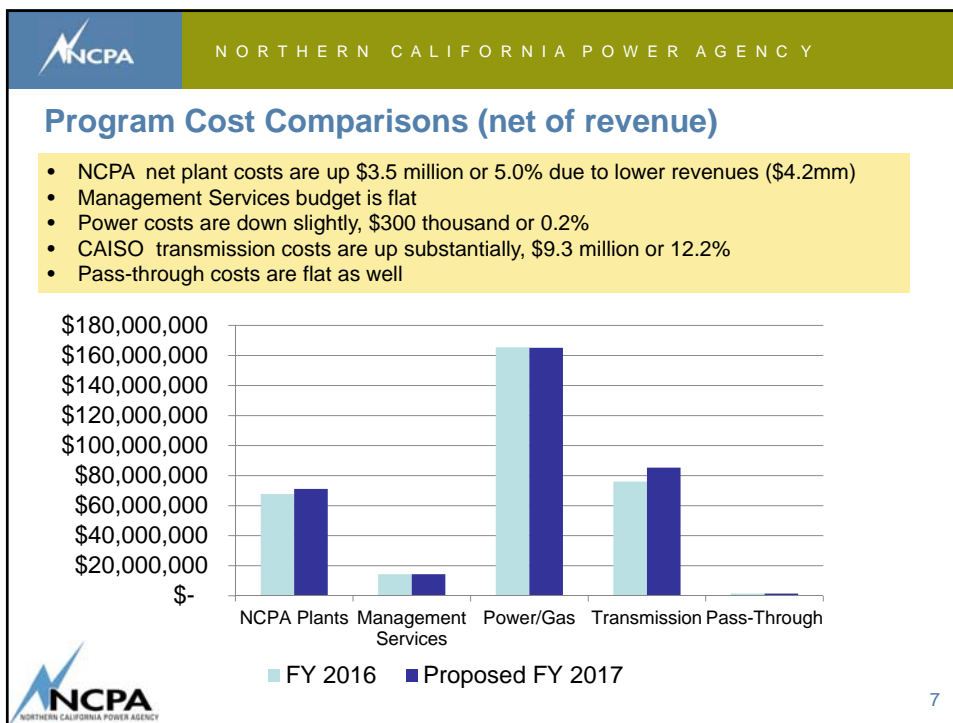


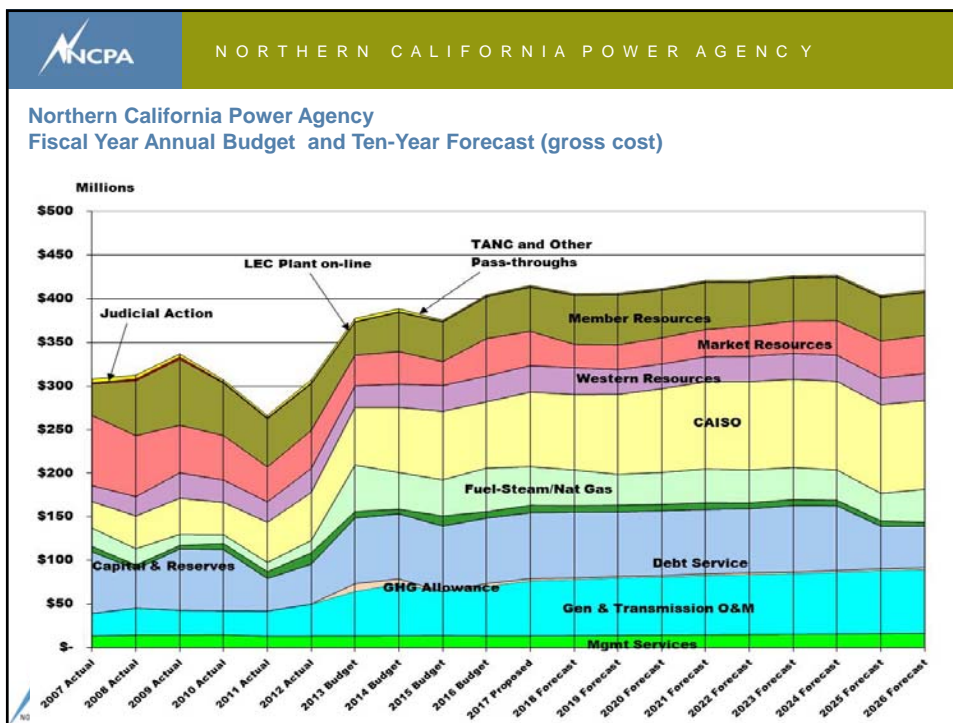
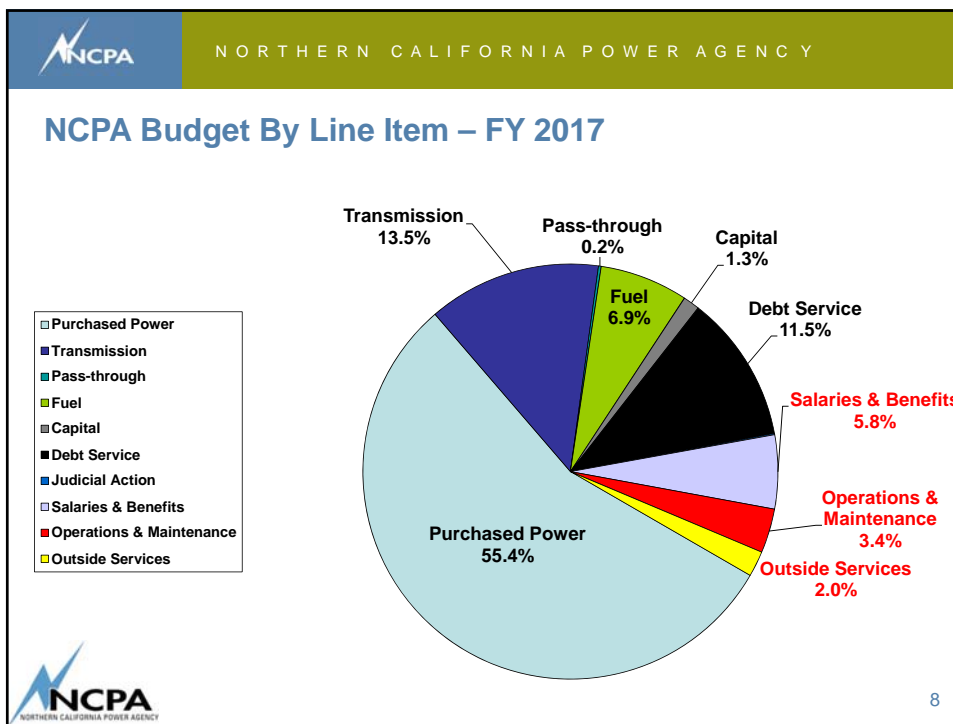
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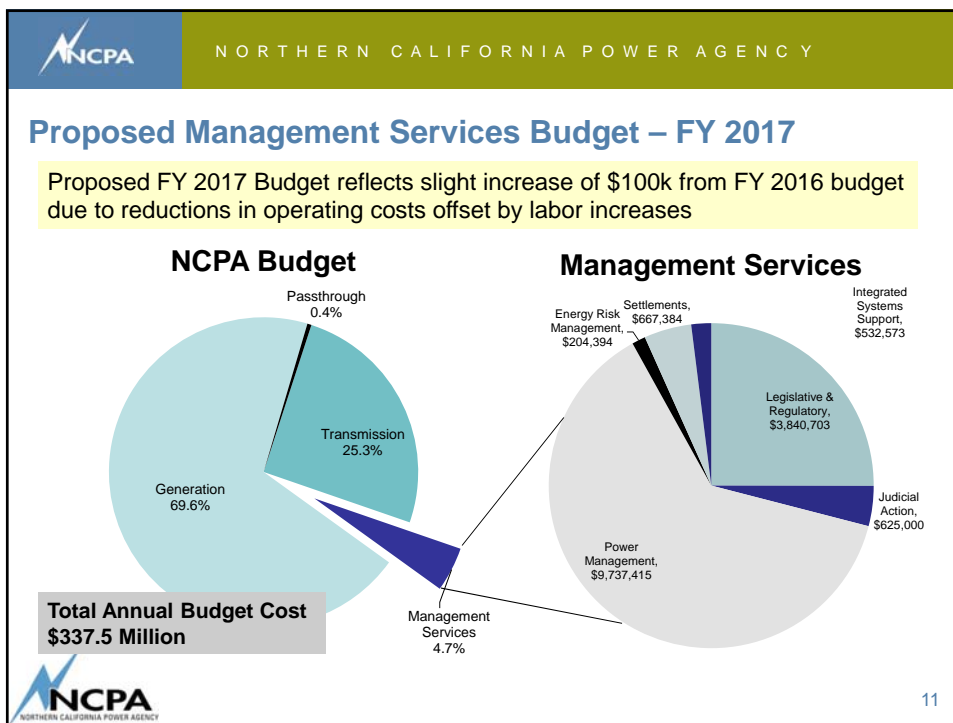
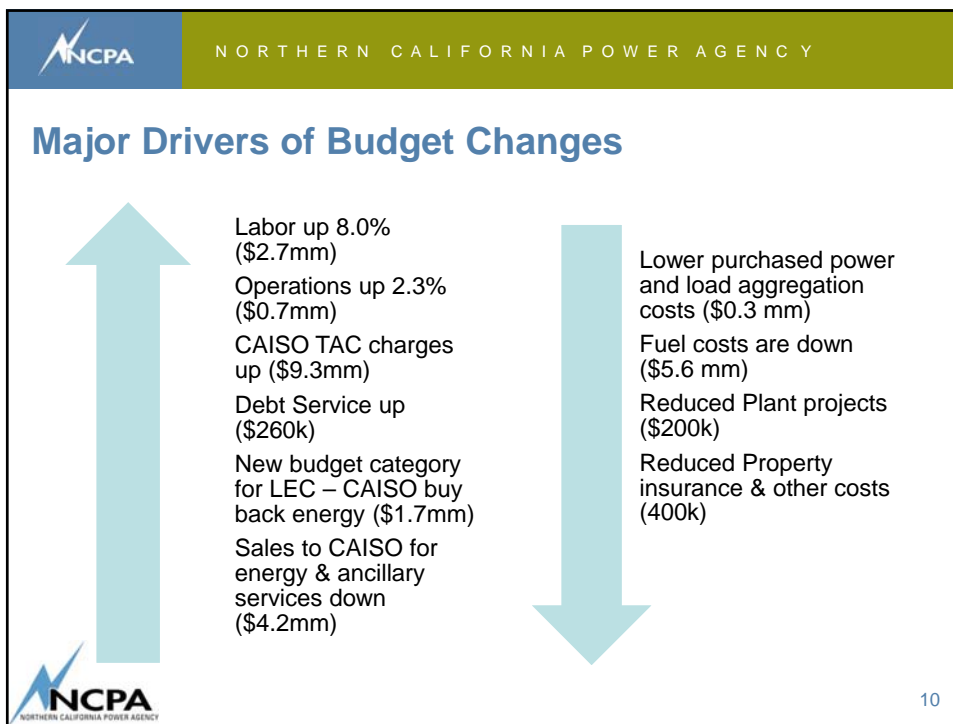
		FISCAL YEAR ENDED JUNE 30		
		Approved	Incl(Dec)	Proposed
		2016		2017
GENERATION RESOURCES				
NCPA Plants	\$	67,692,045	\$ 3,475,903	\$ 71,167,948
Member Resources - Energy		39,011,876	6,625,818	45,637,694
Member Resources - Natural Gas		850,359	825,079	1,675,438
Western Resources		19,838,319	152,657	19,990,976
Market Power Purchases		42,913,205	(3,610,842)	39,302,363
Load Aggregation Costs		59,831,915	(3,819,954)	56,011,961
Net GHG Obligations		3,029,825	(489,915)	2,539,910
TOTAL GENERATION RESOURCES		233,167,544	3,158,746	236,326,290
TRANSMISSION - Independent System Operator				
		76,011,752	9,346,732	85,358,484
MANAGEMENT SERVICES				
Legislative & Regulatory		3,840,703	91,066	3,931,769
Judicial Action		625,000	-	625,000
Power Management		9,737,415	149,897	9,887,312
Power Management - Direct to Programs		(1,228,543)	(99,237)	(1,327,780)
Energy Risk Management		204,394	7,901	212,295
Settlements		667,384	72,996	740,380
Integrated Systems Support		532,573	(221,509)	311,064
		14,378,926	1,114	14,380,040
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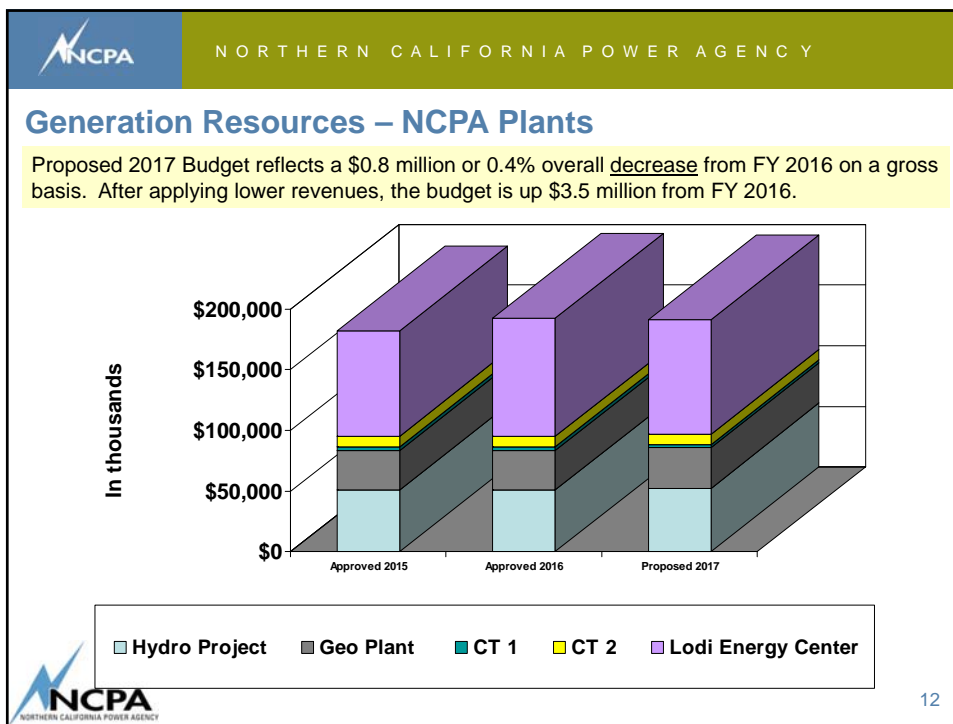
3.8% Increase

3/11/2016

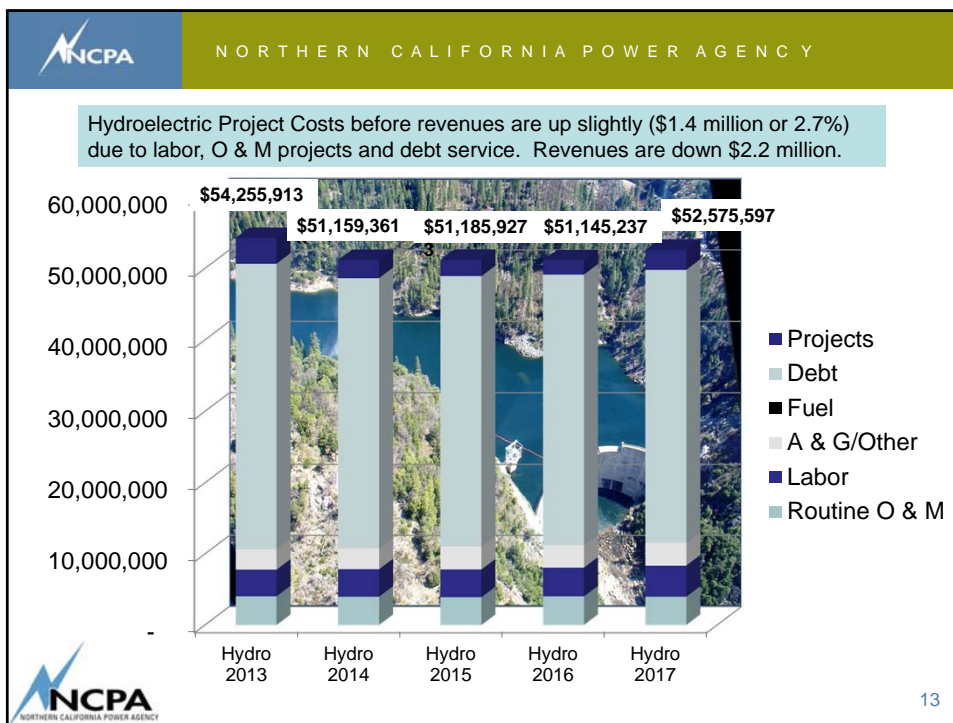




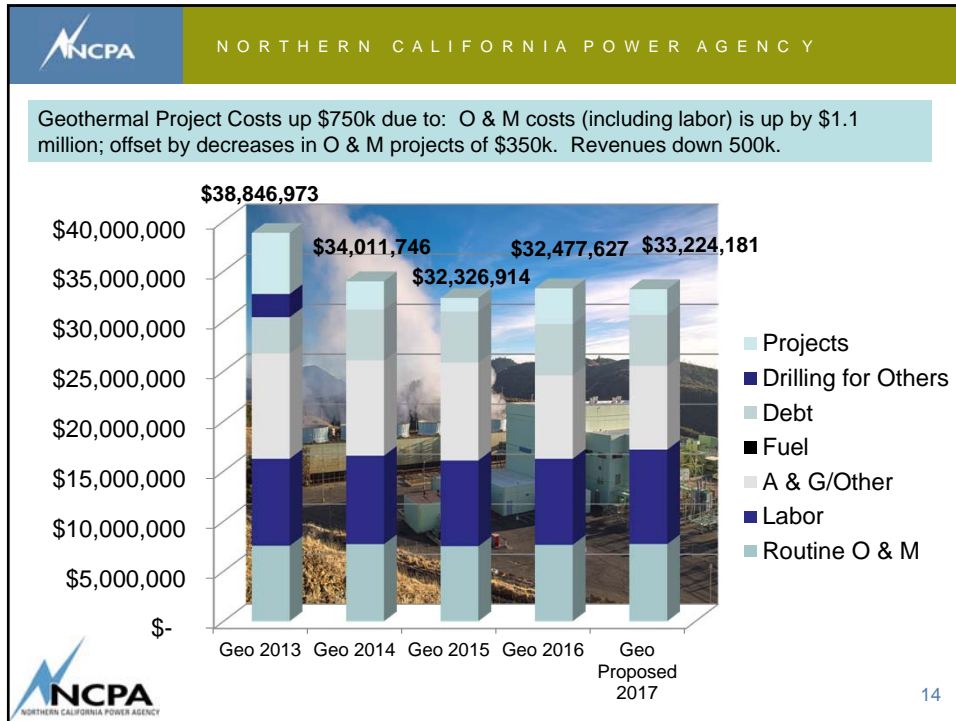




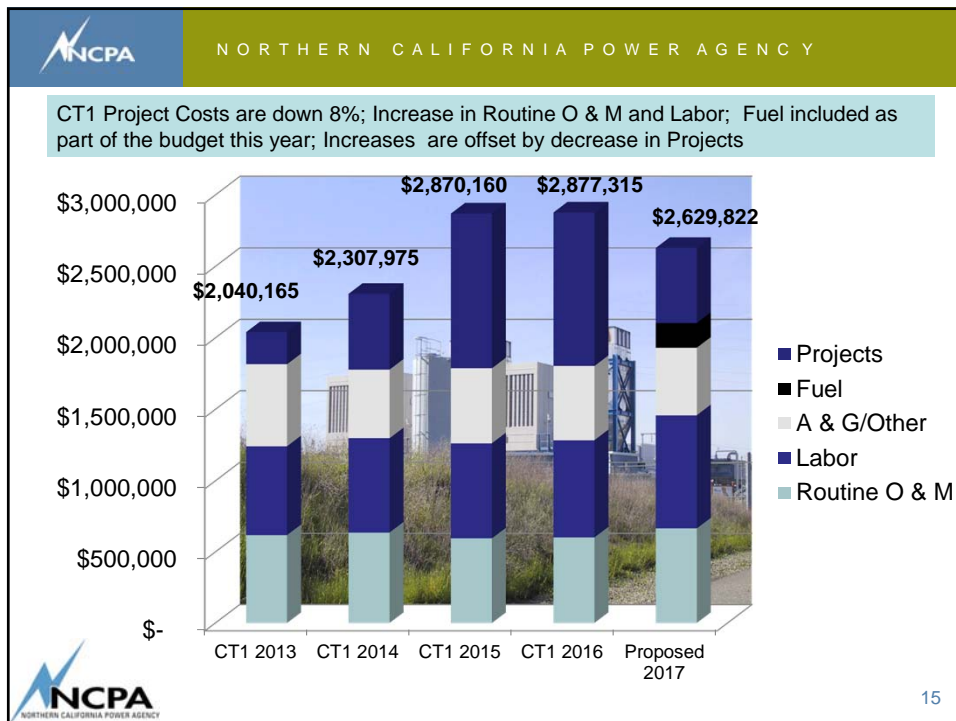
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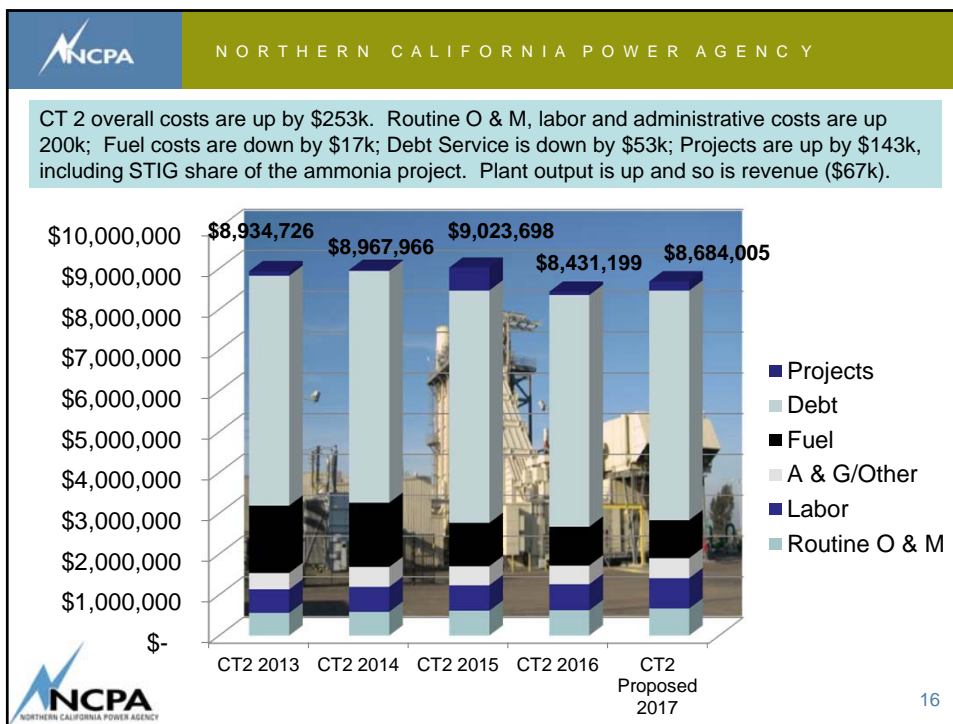
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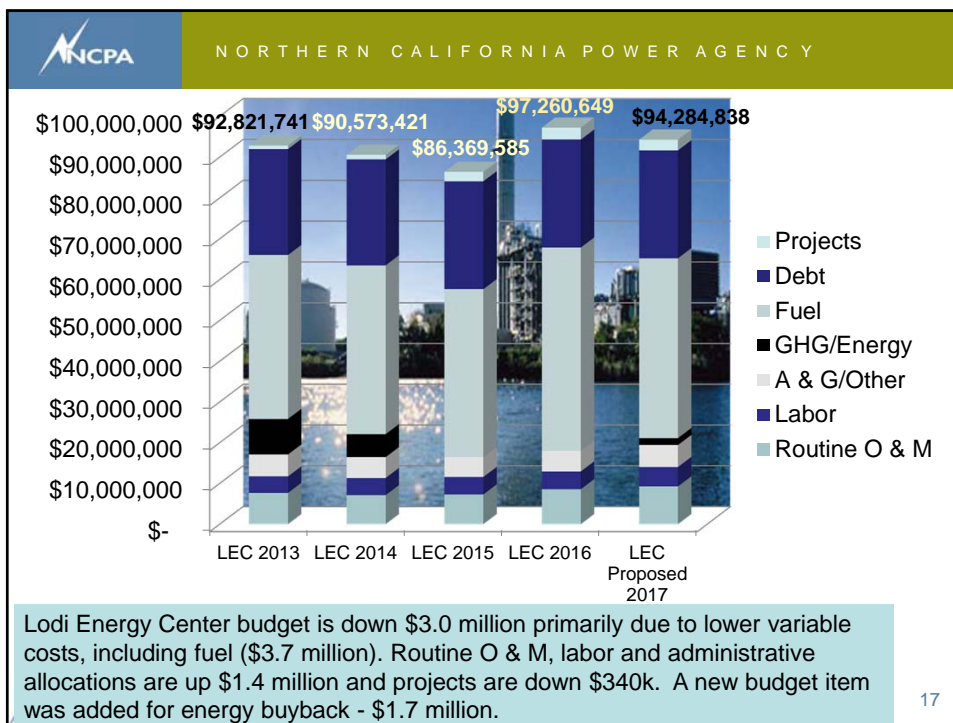
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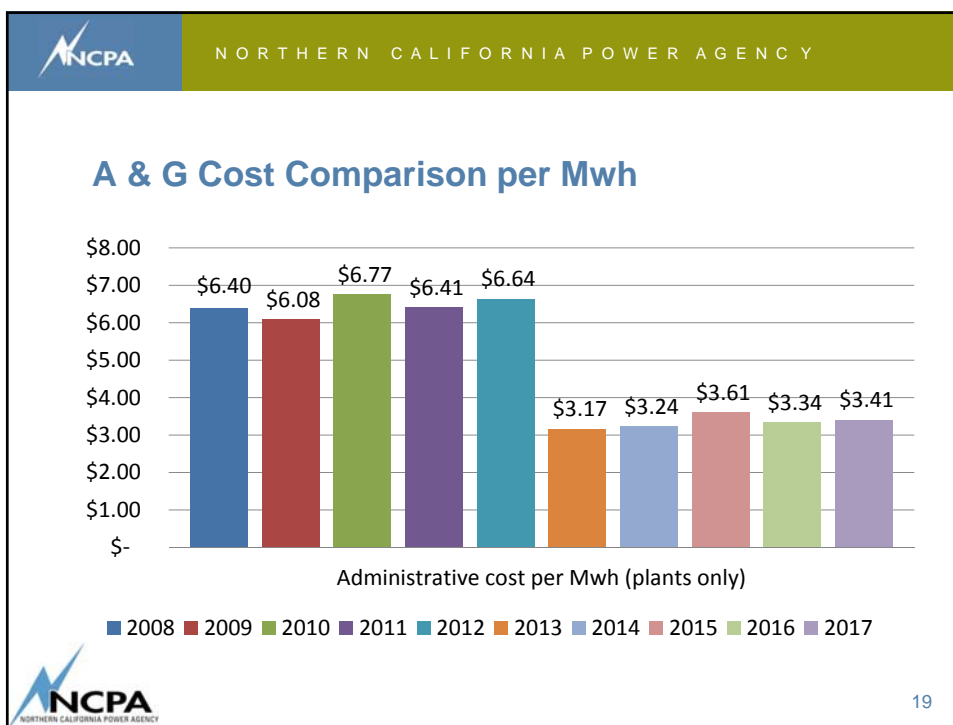
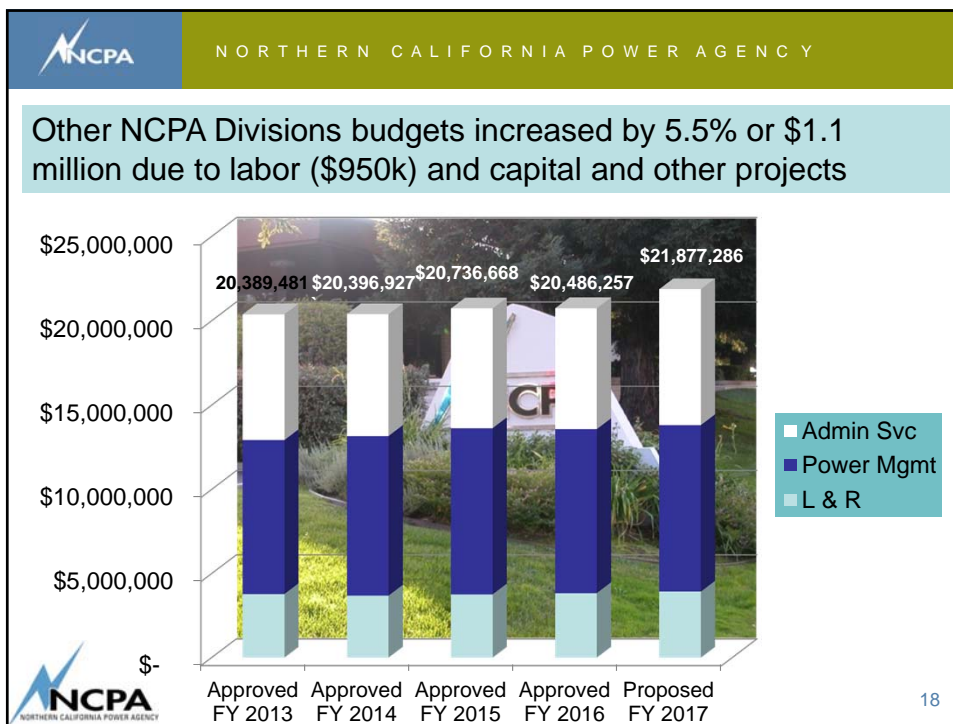
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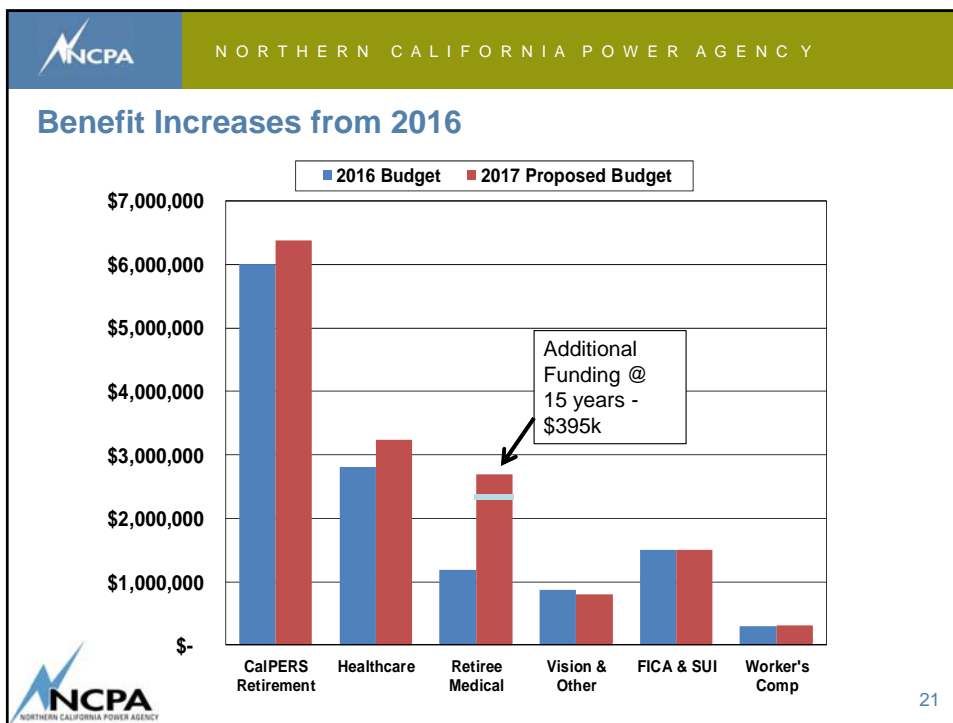
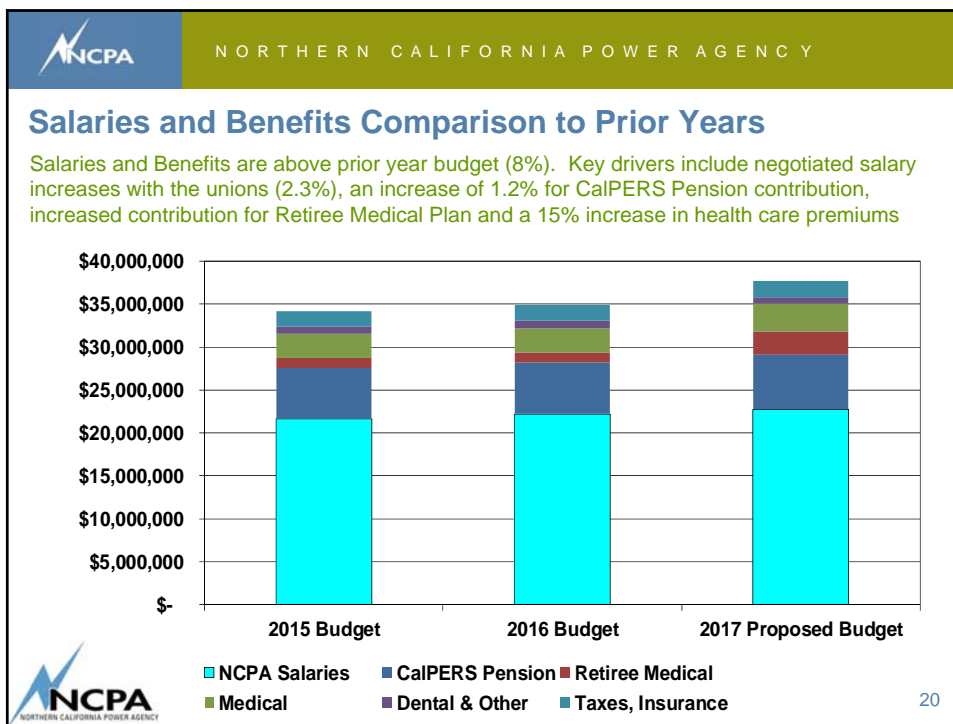


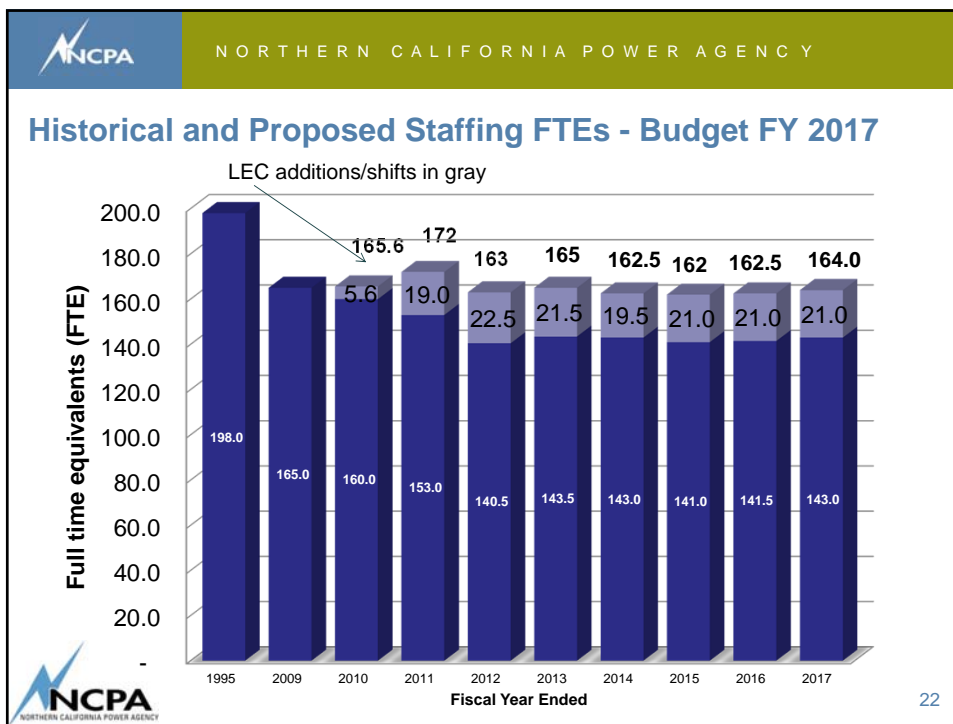
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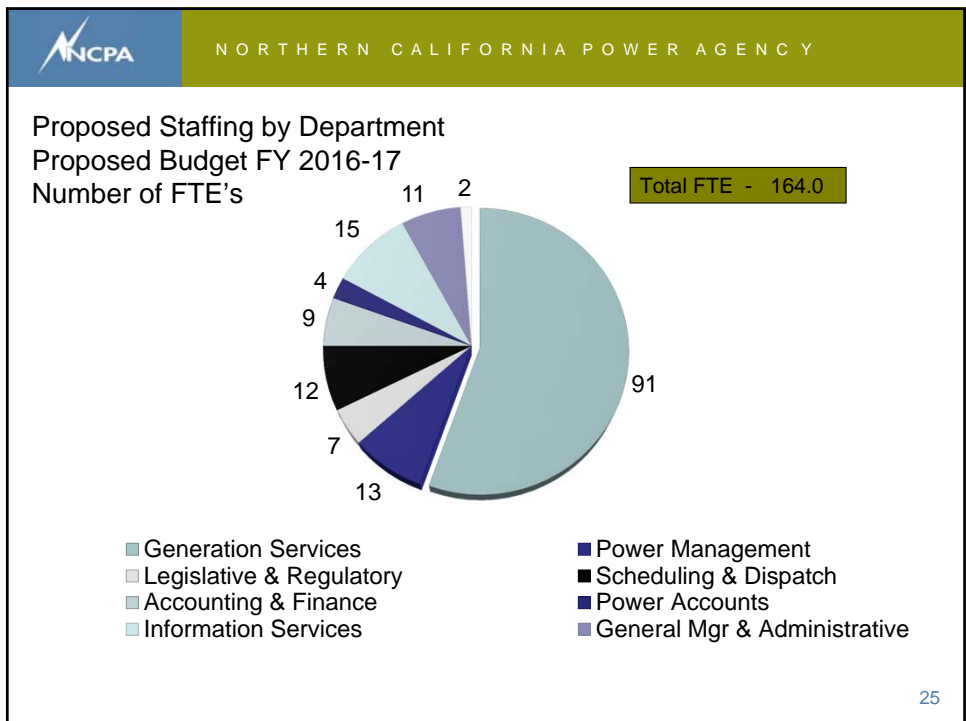
Proposed staffing changes for full time positions; net addition 1.5 FTE

Action	FTE	Project/Program	Position
Add	1.0	Power Settlements	Accountant/Analyst I (if additional customers are added)
Delete	0.5	Human Resources	Delete Human Resources Assistant (1/2 year) used for succession planning
Add	1.0	Human Resources	Human Resources Assistant – for additional support in HR
Net change	1.5		

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 NORTHERN CALIFORNIA POWER AGENCY			
Proposed staffing changes for part-time casual positions			
Action	FTE	Project/Program	Position
Delete	-0.46	Human Resources	Delete Human Resources Director used for retirement transition
Add	0.39	CT (Gas Plants)	Student Intern (engineering)
Net change	-0.07		

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NCPA NORTHERN CALIFORNIA POWER AGENCY

Salary & Benefit Changes

- Negotiations completed at end of CY 2015
 - Raises for represented employees are:
 - 3.75% for calendar 2016
 - 3.5% for calendar 2017
 - 3.25% for calendar 2018
- No COLA or step increases for unrepresented employees; salary adjustments are for merit, promotion, upgrades, training and certifications, etc. Merit only for high performing staff in accordance with approved merit plan.
- Benefit costs (medical, pension, etc.) up by 17.8% primarily due to CalPERS pension and Retiree Medical Plan cost increases due to changes in actuarial assumptions

NCPA NORTHERN CALIFORNIA POWER AGENCY 26

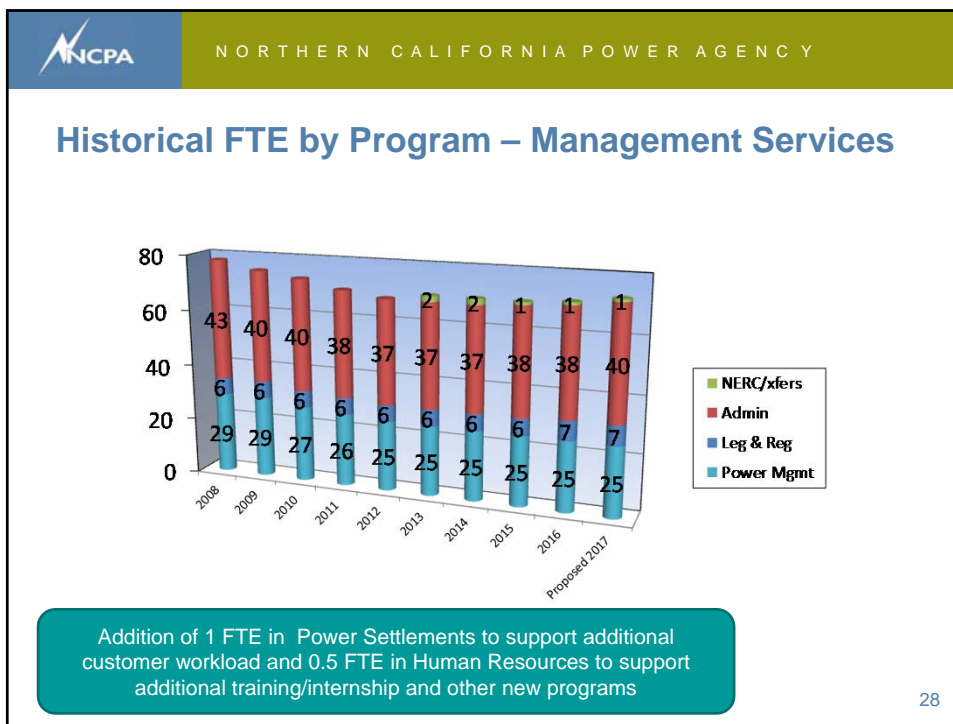
NCPA NORTHERN CALIFORNIA POWER AGENCY

Historical FTE by Project – Generation Services


Year	LEC	Hydro	Geo	CT1 and 2	Gen Svcs	Total FTE
2008	18	18	53	16	6	111
2009	18	18	53	15	6	110
2010	3.6	18	52	15	6	95.6
2011	19	18	49	13	5	104
2012	22.5	18	45	6.5	5	97
2013	21.5	18	45	6	4.5	95
2014	19.5	18	43	6	6	92.5
2015	21	18	42	6	5	92
2016	21	18	41	6	5	91
Proposed 2017	21	18	41	6	5	91

2017 includes no change in full time positions. Added one part-time casual student intern position at the CT plants

NCPA NORTHERN CALIFORNIA POWER AGENCY 27





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- ### What's Not Included or Will Change?
- Shift of IS labor from A & G to Power Management programs (0.5 FTE)
 - Increase funding at LEC for DCS project (\$100k)
 - Increase funding at LEC for ammonia protection system and reduce STIG budget (\$91k) (special LEC meeting to consider; Facilities Committee approved)
 - TANC budget is not yet published
 - CAISO TAC rates have increased (last week) and further increases are under consideration for FY17
 - Finalize funding for OPEB obligation based on proposed funding plan
 - A & G budget will be revised based on above changes and corrections found during review
 - Generation Services Admin reduced by \$127k
 - Hydroelectric Adit slide project reduced by \$500k and crane painting deferred until 2018 (\$125k)
-



NORTHERN CALIFORNIA POWER AGENCY

Cost Allocation Updates

- **Administrative & General**
 - No changes from last year
- **Power Management**
 - Changes to Nexant Cost Allocation
 - Reinstate PIRP treatment for Hour ahead and CAISO Schedule counts and maintain IT Unit complexity for PIRP resources at “1” (March 4 Commission meeting)
 - Adjust Prescheduling labor allocations based on updated time study conducted by NCPA (March 4 Commission meeting)
- **Legislative & Regulatory**
 - No changes from last year





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NORTHERN CALIFORNIA POWER AGENCY

PARTICIPANT FUNDING REQUIREMENTS (NET) BUDGET FY17

Participants (1 of 2)

Participant	FY 2012/13 Approved Budget	FY 2013/14 Approved Budget	FY 2014/15 Approved Budget	FY 2015/16	Proposed FY 2016/17
BART	\$25,000,000	\$20,000,000	\$15,000,000	\$18,000,000	\$20,000,000
Alameda	\$30,000,000	\$32,000,000	\$35,000,000	\$38,000,000	\$40,000,000
Lodi	\$40,000,000	\$40,000,000	\$40,000,000	\$40,000,000	\$40,000,000
Lompoc	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000
Palo Alto	\$65,000,000	\$70,000,000	\$80,000,000	\$85,000,000	\$90,000,000
Plumas Sierra	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000
Roseville	\$10,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000
Santa Clara	\$90,000,000	\$95,000,000	\$90,000,000	\$80,000,000	\$85,000,000
Ukiah	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000
LEC (non members)	\$15,000,000	\$15,000,000	\$15,000,000	\$15,000,000	\$15,000,000



■ FY 2012/13 Approved Budget
 ■ FY 2013/14 Approved Budget
 ■ FY 2014/15 Approved Budget
 ■ FY 2015/16
 ■ Proposed FY 2016/17

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