



651 Commerce Drive,  
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# Agenda

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**Date:** May 26, 2016

**Subject:** NCPA Commission Meeting

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

**Time:** 9:30 am

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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](http://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 April 21, 2016, Regular 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 April 30, 2016*** – approval by all members.

**11. *Treasurer's Report for the Month Ended April 30, 2016*** – accept by all members.

**12. *Annual Budget Working Capital Deposit Adjustments for FY 2017*** – approval by all members the Annual Budget Working Capital Deposit Adjustments for FY 2017.

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

**13. *Resolution 16-37, Approve Increase to FY 2017 Budget for "Energy Efficiency Targets"*** – adopt resolution by all members approving an increase to the Fiscal Year 2017 NCPA Budget – Participant Pass Through Costs – Member Services Projects – Energy Efficiency Target, from \$80,000 to \$113,292 to reflect the actual cost of the project to NCPA members as detailed in the CMUA contract with Navigant Consulting, and the related funding agreement between NCPA and CMUA for Navigant's services to NCPA members.

**Fiscal Impact:** total cost of the project is \$113,292. This project is included in the Fiscal Year 2017 budget, but with a projected total cost of \$80,000. The request from staff is to increase the total budget by \$33,292 for a total not to exceed cost of \$113,292. Costs will

be allocated to members as delineated in the professional services contract between CMUA and Navigant Consulting, which is included as an attachment.

- 14. Resolution 16-38, Update to Scheduling Coordination Program Agreement Appendix B, Version 19** – approve by all members implementing the revised Scheduling Coordination Program Agreement (SCPA) Appendix B for the processing of CAISO daily and monthly settlements in accordance with the terms of the Appendix B.

**Fiscal Impact:** no significant costs will be incurred to implement the changes to the SCPA Appendices and funds are available in the NCPA budget to support the work associated with these contract updates.

- 15. Resolution 16-39, Black & Veatch Corporation – Five Year Multi-Task Professional Services Agreement; Applicable to the following projects: All NCPA Facility Locations, Members, SCPPA, and SCPPA Members** – adopt resolution by all members authorizing the General Manager or his designee to enter into a Multi-Task Professional Services Agreement with Black & Veatch Corporation with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$1,500,000 over five years for use at all facilities owned and/or operated by NCPA, its members, by the Southern California Public Power Authority (“SCPPA”), or by SCPPA members.

**Fiscal Impact:** upon execution, the total cost of the agreement is not-to-exceed \$1,500,000 over five years to be used out of NCPA approved budgets as services are rendered. Purchase orders referencing the terms and conditions of the Agreement will be issued following NCPA procurement policies and procedures.

- 16. Resolution 16-40, WEST Consultants, Inc. – Five Year Multi-Task Professional Services Agreement; Applicable to the following projects: All NCPA Facility Locations, Members, SCPPA, and SCPPA Members** – adopt resolution by all members authorizing the General Manager or his designee to enter into a Multi-Task Professional Services Agreement with WEST Consultants, Inc. with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$1,000,000 over five years for use at all facilities owned and/or operated by NCPA, its members, by the Southern California Public Power Authority (“SCPPA”), or by SCPPA members.

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

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

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

**Consent Items pulled for discussion:** \_\_\_\_\_

## **DISCUSSION / ACTION ITEMS (10:25 – 10:35 am)**

- 18. Resolution 16-42, Request for Authorization to Submit a Services Proposal to Merced Irrigation District** – adopt resolution by all members authorizing staff to respond to MID's RFP consistent with the principles and framework as set forth in this staff report; and direct that any final agreement arising from this proposal be reviewed through the agency's governance committees, with recommendations prepared by the governance committees for further Commission consideration and approvals.  
**Fiscal Impact:** costs associated with development and submittal of a services proposal, in response the MID's RFP, are accounted for and are included in existing NCPA budget categories.

## **INFORMATION ITEMS (10:35 – 10:45 am)**

- 19. Hydrology Report** – update and presentation.

## **CLOSED SESSION (10:45 – 11:00 am)**

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

## **NEW BUSINESS**

## **ADJOURNMENT**



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# Minutes - DRAFT

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**To:** NCPA Commission  
**From:** Cary A. Padgett, Assistant Secretary to the Commission  
**Subject:** April 21, 2016, NCPA Commission Meeting

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## ***Item #1 – Call Meeting to Order and Introductions***

Chairperson Carol Garcia called the meeting to order at 9:30 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 March 31, 2016, Regular Commission Meeting***

Motion: A motion was made by Gary Plass and seconded by Roger Frith to approve the Minutes of the March 31, 2016, Regular Commission Meeting. The motion carried unanimously on a voice vote of those members present.

## **PUBLIC FORUM**

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

Member of Month was Barry Tippin Utility Director Redding Electric.

## **REPORTS AND COMMITTEE UPDATES**

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

- Gave a brief update on the proposed NCPA 2016-2021 Strategic Plan.
- Provided an update on the EIM Regionalization discussions and activities. Held interviews last week for the EIM Governing Board. Did not have a consensus on candidates and were unable to move forward with a decision at this time.
- The NW/NoCal Collaborative took place yesterday at SMUD. That group is also discussing EIM issues among other topics.
- Gave a status update on state legislative activities.
- Provided an update on the NCPA Internship Program, as well as discussed the Internship Flyer that was provided. NCPA's HR Manager is scheduling an NCPA site tour for member's interns. Have had a great response to the Internship program.

- A hearing was held last week on the potential impacts from the Aliso Canyon gas leak. Given the uncertain operating status of the facility, Southern California could likely have a possible 14 day blackout over the summer.
- 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.

#### ***Item #4 – Executive Committee***

Committee Chair Carol Garcia reported that the Committee did not meet.

#### ***Item #5 – Facilities Committee***

Assistant General Manager Dave Dockham reported the Committee met once since the last Commission meeting. The Committee met at its regular scheduled meeting and discussed Items 12-17 on today's Agenda. A quorum of the Committee was present at the meeting. The Committee recommended Commission approval of all items.

PCWA is working on their final overview of key terms and conditions of their membership agreement, which will be brought to their respective board for approval. Staff would like to have the final agreement for approval at the May or June Commission meeting.

The Committee discussed the City of Shasta Lake's estimated cost allocation dollars for their potential membership. However, at this time, their interest is only in the Legislative and Regulatory Affairs Program, but plan to work with Redding Electric and NCPA in the future for Power Management services.

A discussion will take place, following today's Commission meeting, on the Transmission Access Charge (TAC) issue. Staff is seeking to finalize that discussion.

#### ***Item #6 – Finance Committee***

Committee Chair Gary Plass reported the Committee did not meet. The next Committee meeting is scheduled for May 11, 2016.

#### ***Item #7 – Legal Committee***

Assistant General Counsel Ruthann Ziegler reported the Legal Committee did not meet.

#### ***Item #8 – Legislative & Regulatory Affairs Committee***

Committee Chair Bob Lingl reported the Committee did not meet since the last Commission meeting. Thanked those members that contributed their time to helping NCPA to oppose the NEM legislation in the Assembly during the past few weeks. The bill passed out of committee, but staff is optimistic that it will not pass out of the Legislature in its current form.

The U.S. Senate and House have both passed their comprehensive energy bills that include reform to the hydropower licensing process.

The NCPA/NWPPA Federal Policy Conference in Washington, D.C., will be held April 24-27, 2016. This year, Congressman Jerry McNerney will receive the NCPA Legislator of the Year Award for his efforts on the hydropower licensing reform. NCPA staff Brent ten Pas and Scott Tomashefsky provided an overview of the program.

General Manager Randy Howard mentioned that Morgan Meguire is closing its doors after many years of lobbying on behalf of public power in Washington, D.C. Morgan Meguire represents several of the Southern California public power entities.

The next L&R Affairs Committee meeting is scheduled for May 25, 2016, in Roseville.

#### ***Item #9 – Members’ Announcements & Meeting Reporting***

No member announcements or reports.

#### **CONSENT CALENDAR**

Prior to the roll call vote to approve the Consent Calendar, the Commissioners were polled to determine if any member wished to pull an item or abstain from one or more items on the Consent Calendar. *Item 18 was pulled for discussion.*

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

***Item #10 – NCPA’s Financials for the Month Ended March 31, 2016*** – approval by all members.

***Item #11 – Treasurer’s Report for the Month Ended March 31, 2016*** – accept by all members.

***Item #12 – Resolution 16-27, Approve a Multi-Task General Services Agreement with Groome Industrial Service Group, Inc.*** – approve resolution by all member authorizing the General Manager or his designee to enter into a Multi-Task General Services Agreement with Groome Industrial Service Group, Inc. for inspection and maintenance services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$850,000 over five years for use at all facilities owned and/or operated by NCPA, its members, by the Southern California Public Power Authority (“SCPPA”), or by SCPPA members.

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

***Item #13 – Resolution 16-28, Approve a First Amendment to Multi-Task Consulting Services Agreement with Baskin Engineering, Inc.*** – approve resolution by all member authorizing the General Manager or his designee to enter into a First Amendment to the existing five year Multi-Task Consulting Services Agreement with Baskin Engineering, Inc. for protection relay upgrades and electrical engineering support, increasing the not to exceed amount from \$225,000 to \$750,000 and revising various provisions to expand the scope of work to include all facilities owned and/or operated by NCPA, its members, Southern California Public Power Authority (SCPPA), or by SCPPA members.

**Fiscal Impact:** upon execution, the total cost of the agreement is not-to-exceed \$750,000 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. *Redding abstained.*

**Item #14 – Resolution 16-29, Approve a Multi-Task Professional Services Agreement with Nor-Cal Controls ES, Inc.** – approve resolution by all members authorizing the General Manager or his designee to enter into a Multi-Task Professional Services Agreement with Nor-Cal Controls ES, Inc. which shall not exceed \$350,000 over five years for engineering and plant control systems technical support services 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, with any non-substantial changes recommended and approved by the NCPA General Counsel.

**Fiscal Impact:** total cost of the agreement is not-to-exceed \$350,000 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. *Port of Oakland and Redding abstained.*

**Item #15 – Resolution 16-30, Approve a Multi-Task General Services Agreement with Syblon Ried** – approve resolution by all members authorizing the General Manager or his designee to enter into a Multi-Task General Services Agreement with Syblon Reid for an amount not-to-exceed \$5,000,000 over a five-year period for routine maintenance on structures and systems including earthwork maintenance; asphalt patch paving maintenance; minor road maintenance; utility easement maintenance; concrete patching maintenance; and tunnel maintenance, with any non-substantial changes recommended and approved by the NCPA General Counsel.

**Fiscal Impact:** total cost of the agreement will not exceed \$5,000,000 over the five year term 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. *Redding abstained.*

**Item #16 – Resolution 16-31, Approve a Multi-Task Professional Services Agreement with Schweitzer Engineering Laboratories, Inc.** – approve resolution by all members authorizing the General Manager or his designee to enter into a Multi-Task Professional Services Agreement with Schweitzer Engineering Laboratories, Inc. for protective relay and automation design services which shall not exceed \$1,000,000 over five years for use at all facilities owned and/or operated by NCPA, its members, by the Southern California Public Power Authority (“SCPPA”), or by SCPPA members, with any non-substantial changes recommended and approved by the NCPA General Counsel.

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

**Item #17 – Resolution 16-32, Approval of Advisory Services Under the Lodi Single Member Services Agreement** – adopt resolution by all members approving Attachment A that will be attached to and made part of the Single Member Services Agreement for Special Transactions by and between Northern California Power Agency (NCPA) and the City of Lodi (“Lodi”), under which NCPA will provide Advisory Services on behalf of Lodi acting as its agent regarding management of the RE Astoria 2 PPA and Buyers Joint Project Agreement. NCPA staff also recommends that the Commission authorize the General Manager of NCPA to execute the Attachment A, on behalf of NCPA, including any non-substantive modifications approved by NCPA’s General Counsel.

**Fiscal Impact:** NCPA shall invoice Lodi for all costs associated with work performed on behalf of Lodi as described herein on a time and materials basis through the All Resources Bill.



## **DISCUSSION / ACTION ITEMS**

**Item #18 – Resolution 16-35, Approve Revisions to NCPA’s Personnel Policy and Procedure Manual** – adopt resolution by all members approving the revisions to NCPA’s Policy and Procedure Manual language to bring it into alignment with existing state and federal labor laws.

**Fiscal Impact:** there is no fiscal impact associated with this change.

Human Resources Manager Vicki Cichocki provided a brief update on the changes to the manual. Roseville suggested an amendment to the definition of the term “Management” on the first page of the Manual to clarify that the Commission is the highest level of “Management” at the Agency. The Commission discussed and recommended adding an additional WHEREAS to the Resolution clarifying the definition of the term “Management.”

**Motion:** A motion was made by Barry Tippin and seconded by Basil Wong to adopt Resolution 16-35 approving the Revisions to NCPA’s Personnel Policy and Procedure Manual with the addition of “WHEREAS, the term Management means NCPA, as distinguished from the Union, and the Commission is the highest level of Management at the Agency” to the resolution. The motion carried by a unanimous roll call vote of those members present.

*BART, Gridley and Truckee Donner were absent.*

**Item #19 – Resolution 16-34, Approve the Lodi Energy Center May Outage and Associated Cost Increase and Authorizing the General Manager of His Designee to Execute Agreements and Purchase Orders to Carry Out the Work** – adopt resolution by all members approving the Lodi Energy Center May outage and associated cost increase from \$1,032,390 to not to exceed \$1,460,565, due to additional work needed to service the generator bearing and inlet guide vanes on the gas turbine; and authorizing the NCPA General Manager or his designee to execute agreements and issue purchase orders necessary to carry out this work.

**Fiscal Impact:** total cost of the May outage project is \$1,460,565 to be funded as follows:

Operating Reserves (as approved from February belly band/outage work	\$ 444,000
Routine O&M Budget	\$1,016,565
Total May Outage Cost	\$1,460,565

Assistant General Manager Ken Speer discussed the Lodi Energy Center May outage and the associated cost increases for the repairs. Siemens is not covering the cost of the repairs due to the warrantee has expired, but Siemens will be involved during the repair of the equipment.

**Motion:** A motion was made by Gary Plass and seconded by Mark Chandler adopt Resolution 16-34 approving the Lodi Energy Center May Outage and Associated Cost Increase and Authorizing the General Manager of His Designee to Execute Agreements and Purchase Orders to Carry out the Work. The motion carried by a unanimous roll call vote of those members present.

*Palo Alto, Port of Oakland and Redding abstained. BART, Gridley and Truckee Donner were absent.*

**Item #20 – Resolution 16-26, Proposed Annual Budget for Fiscal Year 2017** – approve resolution by all members adopting the Fiscal Year 2017 Annual Budget.

**Fiscal Impact:** total proposed annual budget cost for FY 2017 is approximately \$328.5 million, which represents an increase of 3.5 million or 1.1% over the FY 2016 budget. See the Executive Summary section of the budget document for the analysis of the overall budget. Allocation of the FY 2017 NCPA Budget between members and LEC participants are based on participation levels in NCPA programs and projects and the approved cost allocations discussed above. Final funding allocation for each member is attached to this staff report and shown on page 184 of the budget document.

Assistant General Manager and CFO Donna Stevener gave a presentation outlining the changes to the budget since the March 31<sup>st</sup> Commission meeting. The Legislative & Regulatory Affairs Committee and the Facilities Committee have both recommended approval of their proposed budgets. The Lodi Energy Center Participants Committee approved the budget with the changes noted in the presentation and recommended approval of their proposed budget. A ten-year forecast will be provided to each member by the end of May.

**Motion:** A motion was made by Bob Lingl and seconded by Madeline Deaton to approve Resolution 16-26 adopting Fiscal Year 2017 Annual Budget. The motion carried by a unanimous roll call vote of those members present.  
*BART, Gridley and Truckee Donner were absent.*

**Item #21 – Resolution 16-33, NCPA’s 2016-2021 Strategic Plan** – adopt resolution by all members approving the NCPA 2016-2021 Strategic Plan.

**Fiscal Impact:** there is no fiscal impact from the Strategic Plan, however certain goals and initiatives associated with attaining the Strategic Plan may have an impact. The fiscal impacts for the goals that are not included in the FY 2016/17 NCPA budget will be explained and approval will be obtained before they are undertaken.

Mr. Howard provided a brief background on the Plan. The Plan was vetted through the Utility Directors and Commissioners over the past few months prior to seeking formal Commission approval. The Commission discussed the plan and recommended that staff provide quarterly updates on new membership and services to the Commission, as well as a status update on the goals and objectives.

**Motion:** A motion was made by Madeline Deaton and seconded by Gary Plass to approve Resolution 16-33, NCPA’s 2016-2021 Strategic Plan and include quarterly status updates to the Commission on the goals and initiatives. The motion carried by a unanimous roll call vote of those members present.  
*BART, Gridley, Port of Oakland, and Truckee Donner were absent.*

## **INFORMATION ITEMS**

**Item #22 – Hydrology Report** – Assistant General Manager Ken Speer provided a presentation on the state snow pack and New Spicer Reservoir water storage. The rain forecast for the remainder of the year is above average.

## **CLOSED SESSION**

**Item #23 – CONFERENCE WITH LEGAL COUNSEL** – ANTICIPATED LITIGATION Initiation pursuant to paragraph (4) of subdivision (d) Government Code Section 54956.9: One (1) case.

**Item #24 – 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 Item 24.

**Motion Item 23:** A motion was made by Mark Chandler and seconded by Mel Grandi to adopt Resolution 16-36 approving the Release and Settlement Agreement between NCPA and Ethos Energy, Inc., regarding the Geothermal Unit 1 Turbine Project. The motion carried by a unanimous roll call vote of those members present.

*Port of Oakland abstained.*

*BART, Gridley, Lompoc, Redding, and Truckee Donner were absent.*

## **NEW BUSINESS**

No new business was discussed.

## **ADJOURNMENT**

The April 21, 2016, Commission meeting was adjourned at 11:28 am.

Respectfully submitted,

CARY A. PADGETT  
Assistant Secretary to the Commission

Attachments

**Northern California Power Agency  
Commission Meeting of April 21, 2016  
COMMISSIONER  
Attendance List**

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

MEMBER	NAME
ALAMEDA	<i>Madelene Deaton</i>
BIGGS	<i>Roy I. L...</i>
GRIDLEY	
HEALDSBURG	<i>Myrth...</i>
LODI	<i>Mark Chandler</i>
LOMPOC	<i>Bob L...</i>
PALO ALTO	<i>ED SHIKADA ET</i>
PORT OF OAKLAND	<i>Paul W...</i>
PLUMAS-SIERRA REC	<i>Michael Bragg</i>
REDDING	<i>Benny...</i>
ROSEVILLE	<i>Carl Garcia</i>
SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT	
SANTA CLARA	<i>P. Y...</i>
TRUCKEE DONNER	
UKIAH	<i>M. Garcia</i>

## Attendance List

public is voluntary.

[illegible]

## 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: 4/21/16

Consent Items Listed on the Agenda: # 10 to # 18

Consent Items Removed from the Agenda and Approved Separately:

# 18

*Heal Lompo*  
ROLL-CALL VOTE BY MEMBERS:

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	12, 14, 19	Y	
Redding	12-16	Y	
Roseville		Y	
Santa Clara		Y	
Truckee Donner			X
Ukiah		Y	
Plumas-Sierra			
		Y	

ATTEST:

*Cary A. Padgett*  
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>	_____	_____
BART	_____	_____	<u>X</u>
Biggs	<u>Y</u>	_____	_____
Gridley	_____	_____	<u>X</u>
Healdsburg	<u>Y</u>	_____	_____
Lodi	<u>Y</u>	_____	_____
Lompoc	<u>Y</u>	_____	_____
Palo Alto	<u>Y</u>	_____	_____
Plumas-Sierra	<u>Y</u>	_____	_____
Port of Oakland	<u>Y</u>	_____	_____
Redding	<u>Y</u>	_____	_____
Roseville	<u>Y</u>	_____	_____
Santa Clara	<u>Y</u>	_____	_____
Truckee Donner	_____	_____	<u>X</u>
Ukiah	<u>Y</u>	_____	_____

Passed and adopted this 21<sup>st</sup> day of April 2016, by the above vote on roll call.

  
\_\_\_\_\_  
CAROL GARCIA  
Chairperson

ATTEST:

  
\_\_\_\_\_  
CARY A. PADGETT  
Assistant Secretary

**Northern California Power Agency  
ROLL CALL VOTE**

**Topic:** item 19

	<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></u>	<u>X</u>	<u></u>
Plumas-Sierra	<u>Y</u>	<u></u>	<u></u>
Port of Oakland	<u></u>	<u>X</u>	<u></u>
Redding	<u></u>	<u>X</u>	<u></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 21<sup>st</sup> day of April 2016, by the above vote on roll call.

Carol Garcia  
CAROL GARCIA  
Chairperson

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>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>          </u>	<u>          </u>	<u>X</u>
Ukiah	<u>Y</u>	<u>          </u>	<u>          </u>

Passed and adopted this 21<sup>st</sup> day of April 2016, by the above vote on roll call.

  
CAROL GARCIA  
Chairperson

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>Y</u>	<u>          </u>	<u>          </u>
Port of Oakland	<u>          </u>	<u>          </u>	<u>X</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>          </u>	<u>          </u>	<u>X</u>
Ukiah	<u>Y</u>	<u>          </u>	<u>          </u>

Passed and adopted this 21<sup>st</sup> day of April 2016, by the above vote on roll call.

  
CAROL GARCIA  
Chairperson

ATTEST:   
CARY A. PADGETT  
Assistant Secretary


# Northern California Power Agency

## ROLL CALL VOTE

Topic: Item #23 - closed session

	<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>          </u>	<u>          </u>	<u>X</u>
Palo Alto	<u>Y</u>	<u>          </u>	<u>          </u>
Plumas-Sierra	<u>Y</u>	<u>          </u>	<u>          </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 21<sup>st</sup> day of April 2016, by the above vote on roll call.

  
 CAROL GARCIA  
 Chairperson

ATTEST:   
 CARY A. PADGETT  
 Assistant Secretary



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# Commission Staff Report

AGENDA ITEM NO.: 5

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**Date:** May 26, 2016  
**To:** NCPA Commission  
**Subject:** May 4, 2016 Facilities Committee Meeting Minutes

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



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# Minutes

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**To:** NCPA Facilities Committee  
**From:** Trisha Hubbard  
**Subject:** May 4, 2016, Facilities Committee Meeting Minutes

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1. **Call meeting to order & Roll Call** - The meeting was called to order by Committee Chair Alan Hanger at 9:07am. A sign-in sheet was passed around. Attending via teleconference and/or on-line presentation were Monica Padilla and Chris Hutchinson (Palo Alto), Barry Leska and Debbie Whiteman (Alameda), Kathleen Hughes, Peter Virasak and Steve Hance (Santa Clara), Nico Procos (Port of Oakland), Mike Brozo (Plumas-Sierra), and Mark Sorensen (Biggs). 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 at 9:30am.

## **PUBLIC FORUM**

No public comment.

2. **Approve minutes from the March 30<sup>th</sup> Facilities Committee meetings.** A motion was made by Shannon McCann and seconded by Melissa Cadek recommending approval of the March 30<sup>th</sup> Facilities Committee meeting minutes. 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.
3. **Geothermal Facility** - Staff provided information regarding the recommendation to approve the 2016 Steam Field Operations Forecast Report dated April 2016 as the two-zone Geothermal Operating Protocol effective July 1, 2016. Staff provided a presentation that reviewed and illustrated Geothermal projects completed this past year, steam present levels and forecasts as well as the Operational Plan for FY2017. Staff reported that the injection rate is back to normal, with no negative effects to the reservoir, the steam decline rate reduced to 1.9% resulting in improved generation forecast.

Motion: A motion was made by Shannon McCann and seconded by Alan Hanger recommending Commission approval of the 2016 Steam Field Operations Forecast Report dated April 2016 as the two-zone Geothermal Operating Protocol effective July 1, 2016. A vote was taken by roll call: YES = Alameda, Biggs, Lodi, Plumas-Sierra, Roseville and Santa Clara. ABSTAIN = Palo Alto and Port of Oakland. The motion passed.

4. **All Generation Services Facilities, Members, SCPPA & SCPPA Members – Black & Veatch Corporation** – Staff provided information regarding the recommendation to approve a five year Multi-Task Professional Services Agreement with Black & Veatch Corporation for an amount not to exceed \$1,500,000 for project support and plant operation consulting services for use at all facilities owned and/or operated by NCPA, its Members, SCPPA, and SCPPA Members. This was originally an agreement put in place for the Lodi Energy Center only. This is a new

enabling agreement with this company that will allow for engineering services at all facilities. The LEC only agreement will be terminated and replaced with this agreement.

Motion: A motion was made by Melissa Cadek and seconded by Shannon McCann recommending Commission approval of a multi-task professional services agreement with Black & Veatch Corporation for an amount not to exceed \$1,500,000 for project support and plant operation 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, Lodi, Palo Alto, Plumas-Sierra, Port of Oakland, Roseville and Santa Clara. The motion passed.

- 5. All Generation Services Facilities, Members, SCPPA & SCPPA Members – WEST Consultants, Inc.** – Staff provided information regarding the recommendation to approve a five year Multi-Task Professional Services Agreement with WEST Consultants, Inc. for an amount not to exceed \$1,000,000 for various professional and engineering services, such as hydrological flow modeling, for use at all facilities owned and/or operated by NCPA, its Members, SCPPA, and SCPPA Members. There are currently other enabling agreements similar to this one, however, this firm is rather specialized therefore staff would like to enter into an enabling agreement to have this company available to the Agency.

Motion: A motion was made by Melissa Cadek and seconded by Shannon McCann recommending Commission approval of the Multi-task Professional Services Agreement with WEST Consultants, Inc. with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$1,000,000 over five years for use at all facilities owned and/or operated by NCPA, its members, SCPPA, and SCPPA members. A vote was taken by roll call: YES = Alameda, Biggs, Lodi, Palo Alto, Plumas-Sierra, Roseville, and Santa Clara. The motion passed.

- 6. McKay's Reservoir Parameters and Economics Presentation** – Staff provided information regarding changes in the McKay's Reservoir operating parameters and Collierville market revenues. The presentation provided background and illustrated the McKays operation parameters and constraints. Staff discussed the strategies during low, normal and high elevations as well as illustrations of the historical data regarding the Day Ahead Market and Ancillary Services value and Real-time Markets. Staff discussed the utilization of spilling at McKays economically and for maintenance. Palo Alto requested that staff add a “dashboard” on the Data Portal related to Resource Adequacy.
- 7. Calaveras Project Shares Unwinding for Pool and Roseville** - Staff reported that water share transfers are required to true-up Roseville shares and Pool shares at New Spicer, McKays and bank storage to correct levels after the time period they were scheduled as a combined entity from June 1, 2015 to April 30, 2016. Details regarding how the transfers were made were explained and illustrated.
- 8. Enhanced Bidding Capability for Participants in the CAISO Real-Time Energy Market** – Staff provided a presentation in an effort to discuss goals, objectives and results from recent tests with bidding into CAISO. Staff reviewed the current bidding capability for all Calaveras Project Operating Entities (OE) and the drivers for increased OE bidding activity. Staff recognizes participants' desire to gain access to the Real-Time Market in order to maximize the value of the Calaveras Project, as well as improve the use of water. Staff wants to ensure that the Collierville generating facility can in fact participate in the Real-Time Market without risk of producing deviation compliance penalties. Staff reviewed and explained a series of tests being conducted that utilizes a different set of bidding and scheduling tools. The full financial impact on the MSSA Compliance Deviation Penalty as well as the test will not be known until May 9<sup>th</sup>.

Staff is also working to develop capability for multiple OEs to independently submit bid-price pair data to NCPA.

Staff plans to set up a series of meetings amongst participants to discuss current scheduling mechanics, scheduling strategy, settlements, modifications to the Schedule Coordination Program Agreement as well as the Facilities Agreement and address whether or not solving the complexity of real-time bidding lends itself to a single Operating Entity for the Calaveras Project.

Palo Alto expressed a desire to discuss the possibility of becoming a single Operating Entity regardless of the results of staff's testing. Staff will work with participants to work through the issues and solutions keeping in mind that becoming a single OE could ultimately be an option.

- 9. Updated to the Scheduling Coordination Program Agreement (SCPA) Appendix B** – Staff provided information regarding the recommendation to approve the modifications recently made to Appendix B of the Scheduling Coordination Program Agreement. The major changes were related to the RAIM Non-Availability Charge, RAIM Incentive Payment, as well as the RAIM Neutrality Allocation. A new charge code was added related to the Peak Reliability Coordinator Charge. Various Charge Codes related to the Standard Capacity Product Resource Adequacy have been retired effective May 31, 2016. Various minor changes made were presented and explained as well.

Motion: a motion was made by Shannon McCann and seconded by Melissa Cadek recommending Commission approval of the latest modifications made to the Schedule Coordination Program Agreement Appendix B as presented. A vote was taken by roll call: YES = Alameda, Biggs, Lodi, Palo Alto, Plumas-Sierra, Port of Oakland, Roseville, and Santa Clara.

- 10. Merced Irrigation District Services** – Staff provided information regarding the recommendation to approve submitting an offer to provide services to Merced Irrigation District (MID) in response to MID's February 26, 2016 request for proposals for Hydro Project Scheduling Coordination Services. Staff discussed the MID Projects and primary scope of services. MID is seeking an initial term of five years with effective dates of service this Fall and July 2017.

In addition to the primary scope of services formally requested, MID has also expressed an interest in the Agency's 24x7 Control Center Services as well as certain Generator Operator Reliability Standard Compliance Services.

Staff believes NCPA can successfully provide services requested by MID without adding additional staff. The cost of services was presented and discussed. Staff is recommending submitting a proposal to MID for services including Scheduling Agency Services, Control Center Services, Reliability Standard Compliance Services, and supplemental services for the amount provided during this presentation.

Motion: a motion was made by Monica Padilla and seconded by Melissa Cadek recommending Commission approval delegating the General Manager authority for NCPA to submit a proposal to provide services to MID and the ability to negotiate a last and final offer based on negotiated terms and conditions. A quorum of the Committee was not established during this presentation. An informal tally of the respective votes was conducted. The following members present were in favor of recommending Commission approval: YES = Alameda, Biggs, Lodi, Palo Alto, Plumas-Sierra, Roseville, and Santa Clara.

- 11. Planning and Operations Update** – NCPA was not the successful bidder in Power Management services proposals submitted to the City of Roseville or Marin Clean Energy. Staff recently met with Placer County regarding their desire to form a Community Choice Aggregation. Staff plans to continue to meet with and assist Placer County in their efforts.
- 12. Power Management and Administrative Services Cost Allocation Study** – Staff has a meeting scheduled with the Cost Allocation Study group on May 5<sup>th</sup>. The main focus of that discussion will be on revenue allocation and pricing new services to potential customers and new members.
- 13. Schedule next meeting date** – the next regular Facilities Committee meeting is scheduled for June 1<sup>st</sup>.

### **ADJOURNMENT**

The meeting was adjourned at 1:06 pm.



**Northern California Power Agency  
Facilities Committee Meeting of May 4, 2016  
Attendance List**

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

[illegible]

**Northern California Power Agency  
Facilities Committee Meeting of May 4, 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	<i>Alan Hanger</i>
BART	
BIGGS	
GRIDLEY	
HEALDSBURG	
LODI	<i>M. C.</i>
LOMPOC	
PALO ALTO	
PLUMAS-SIERRA REC	
PORT OF OAKLAND	
ROSEVILLE	<i>[Signature]</i>
SANTA CLARA	
TID	
UKIAH	



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# Commission Staff Report

AGENDA ITEM NO.: 6

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**Date:** May 26, 2016  
**To:** NCPA Commission  
**Subject:** May 11, 2016 Draft Finance Committee Meeting Minutes

---

The attached draft meeting 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 Finance Committee Meeting Minutes of May 11, 2016

**Finance Committee Attendees:**

**Committee Members:**

Gary Plass	Healdsburg	Call-in
Bob Orbeta	Alameda	Absent
Jordan Ayers	Lodi	Call-in
Monty Hanks	Roseville	Call-in
Jan Pepper	Santa Clara	Call-in

**Attended:**

**Consultants:**

Rian Irani	PFM
Mike Berwanger	PFM
Tyler Old	PFM
Gene Carron	Orrick
Larry Sobel	Orrick
Marc Bauer	Orrick
Michael Dean	Meyers Nave

**NCPA Staff:**

Donna Stevener  
Randy Howard  
Sondra Ainsworth

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

Chairman Gary Plass called the meeting to order at 10:04 a.m. and roll call was conducted as listed above.

**3. Approve Minutes of March 11, 2016**

Minutes for the March 11, 2016 meeting were approved as presented.

1<sup>st</sup> Jordan Ayers

2<sup>nd</sup> Monty Hanks

Representative	Member Org	Vote
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

## **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. Report on the Status of the Post Employment Benefits Other than Pensions Long-term Funding Plan**

Ms. Stevener reported on the final decision of the NCPA Commission regarding the proposed long-term funding plan for the NCPA Retiree Medical Plan. On March 31, the Commission approved the plan in substantially the form recommended by the Finance Committee. The main components stayed the same: reducing amortization from 28 years to 15 years and negotiating with the labor unions to cap the medical premiums. The only item that changed was the timing of the implementation. The Commission chose to implement the increased funding in FY 17 versus FY 18 as recommended by the Finance Committee. Staff is meeting with City of Roseville staff next week to begin gathering information about possible strategies for capping the liability surrounding this program.

### **5. Report on Rating Agency Meetings**

Ms. Stevener reported that last Thursday Randy Howard (General Manager), Carol Garcia (NCPA Chairperson) and Gary Plass (NCPA Finance Committee Chair), along with staff from PFM, made visits to Fitch and Standard & Poor's in San Francisco. A copy of the presentation book used in the meetings was distributed to the Committee for information purposes. Ms. Stevener indicated that Fitch is doing a formal review of the NCPA ratings as part of their normal two year review cycle. The presentation to Standard & Poor's was just a regular update, no formal review is anticipated in the near future. Moody's did a formal review of NCPA ratings in December so they were not included in these meetings.

Mr. Howard indicated that the rating agencies had a positive response to our update. In addition to information on NCPA project finances, we discussed new services for members and provided an update on the impact of the drought on the Hydro Project and the members. We also shared updates on current industry issues such as the CAISO EIM, new RPS standards and other items impacting both members and NCPA. Mr. Plass told the Committee that he had been involved in the last presentation to the rating agencies and this time the analysts seemed very interested in how the JPA members are working together and how NCPA is supporting their efforts. They were also interested to hear about the smooth transition from Jim Pope to Randy Howard as the new General Manager and in the new things Randy has been doing at the Agency. Mr. Plass said it was time well spent.

Mr. Berwanger said that from PFM's viewpoint, the rating agencies really appreciated the time NCPA took to discuss current industry issues and the sharing of our knowledge on these issues with them, especially the California issues.

Ms. Stevener indicated that Fitch would be taking their recommendation on our rating to the Fitch Rating Committee over the next few weeks.

#### **6. Consideration of a Proposed Refunding of 2008C Hydroelectric Bonds**

Ms. Stevener indicated that she had received a proposal from KeyBanc to refund (partial) the 2008C Hydroelectric with taxable bonds and then, when they become callable in 2019, take them out with tax exempt bonds. While the concept is good and the savings are also good, Ms. Stevener indicated that a review with Larry Sobel, Orrick, identified some tax issues with the current proposed structure. Mr. Sobel briefed the Committee on the issues and indicated he had suggested some possible alternatives that could work. KeyBanc will be further refining their idea based on the feedback from Orrick and present a different refunding structure in the near future.

#### **7. Report on Current Financial Market Conditions or Issues**

PFM provided the Committee with an update on current financial market conditions and possible refunding opportunities. On the market front, Mr. Berwanger indicated it is a "Tale of Two Markets", the short-term and the long-term markets are going in different directions. The long-term rates have dropped and are currently just 1 – 2 basis points above the all-time historic lows for long-term bonds (25 to 30 years). On the other hand, short-term rates have increased, causing a flattening of the yield curve. Global economic issues continue to impact rates overall, with the municipal market being impacted more by supply/demand imbalance. Very little supply is in the market over the last few months, while municipal bond fund demand has increased. If you are a AAA borrower you can borrow money for less than 2.5% for 30 years. Credit spreads are also down substantially and Mr. Berwanger provided some samples of bond deals for LADWP and Glendale with rates similar to the "good old days" of ten years ago before the fiscal crisis. It is a good time to refinance bonds if you are able to.

On the short-term side, taxable rates increased in December when the Feds raised rates, but munis didn't follow with increases until a few months later. Short-term rates in the future could be impacted by new money market fund reform rules, but the impact is unclear at this point. NCPA short-term variable rates have gone up with the market, but the spread to taxable rates is lower than normal, providing positive savings on the interest rate swap. NCPA bonds are outperforming SIFMA (the short-term tax exempt bond index).

Mr. Berwanger showed the Committee several possible refunding candidates for the Geothermal, LEC (tax exempt) and Hydro bonds. While the deals are small, the savings were above the 5% percentage target for refunding in our debt policy. After discussion the Committee recommended that the staff work with PFM to issue an RFP for direct placement refunding of these bonds due to the small size of the issues. A special Committee meeting will be scheduled in June to review the proposals and determine if we should recommend refundings to the Commission.

#### **NEW BUSINESS**

##### **8. Next Finance Committee Meeting**

The next regularly scheduled meeting is August 10, 2016 at 10:00 a.m. A special meeting may be scheduled in June or early July to consider RFP responses to the refunding RFP discussed in item 7.

#### **CLOSED SESSION**

##### **9. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**

Mr. Dean indicated that there were no updates on the litigation and no need to hold the closed session.

#### **ADJOURNMENT**

Meeting was adjourned at approximately 10:47 a.m.



#10

# Commission Staff Report

May 11, 2016

**COMMISSION MEETING DATE:** May 26, 2016

**SUBJECT:** April 2016 Financial Report (Unaudited)

**AGENDA CATEGORY:** Consent

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

<b>IMPACTED MEMBERS:</b>		
All Members	<input checked="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:**

Approval by all members.

**NOTICE:**

The disbursements of the Northern California Power Agency for the month reported herein, will be approved at the May 26, 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 April 2016 financial reports are also included.

**FISCAL IMPACT:**

This report has no direct budget impact to the Agency.

**ENVIRONMENTAL ANALYSIS:**

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

Respectfully submitted,

RANDY S. HOWARD  
General Manager

Attachments:



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

**Schedule of Disbursements  
(Unaudited)**

**For the Month of April 2016**

**Operations:**

Geothermal	\$ 1,690,312
Hydroelectric	3,139,438
CT#1 Combustion Turbines	90,484
CT#2 STIG	550,622
Lodi Energy Center	4,330,453
NCPA Operating	<u>18,029,144</u>
Total	<u>\$ 27,830,453</u>

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

PERCENT OF  
YEAR ELAPSED  
83%

	This Month	Actual Year To-Date	FY 2016 Budget	% Used	
<b><u>GENERATION RESOURCES</u></b>					
<b>NCPA Plants</b>					
Hydroelectric					
Other Plant Cost	\$ 661,991	\$ 9,660,072	\$ 13,204,025	73%	
Debt Service (Net)	3,161,221	31,612,211	37,934,653	83%	
Annual Budget Cost	3,823,212	41,272,283	51,138,678	81%	
<b>Geothermal</b>					
Other Plant Cost	2,575,284	21,930,227	27,368,698	80%	
Debt Service (Net)	425,744	4,257,441	5,108,929	83%	
Annual Budget Cost	3,001,028	26,187,668	32,477,627	81%	
Combustion Turbine No. 1	330,212	2,229,886	2,877,315	77%	
Combustion Turbine No. 2 (Stig)					
Fuel and Pipeline Transport Charges	60,871	643,768	953,150	68%	
Other Plant Cost	177,027	1,603,454	1,798,534	89%	(e)
Debt Service (Net)	473,293	4,732,929	5,679,515	83%	
Annual Budget Cost	711,191	6,980,151	8,431,199	83%	
Lodi Energy Center					
Fuel	744,281	21,711,062	49,851,536	44%	
Other Plant Cost	2,205,625	19,987,469	19,739,576	101%	(c)
Debt Service (Net)	2,203,974	22,039,737	26,440,994	83%	
Annual Budget Cost	5,153,880	63,738,268	96,032,106	66%	
Member Resources - Energy	2,411,646	31,887,122	39,011,876	82%	
Member Resources - Natural Gas	606,600	5,417,506	5,748,516	94%	(b)
Western Resources	2,780,504	19,843,903	29,537,384	67%	
Market Power Purchases	2,256,146	28,507,168	42,915,828	66%	
Load Aggregation Costs - ISO	9,979,386	151,682,298	238,603,172	64%	
Net GHG Obligations	-	3,103,080	3,029,825	102%	(a)
	31,053,805	380,849,333	549,803,526	69%	
<b><u>TRANSMISSION</u></b>					
<b>Independent System Operator</b>					
Grid Management Charge	492,146	2,595,448	3,393,692	76%	
Wheeling Access Charge	7,925,745	64,671,469	70,278,323	92%	(f)
Ancillary Services	557,990	1,679,180	1,419,670	118%	(d)
Other Charges	(347,889)	(2,073,160)	920,067	-225%	
	8,627,992	66,872,937	76,011,752	88%	

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

PERCENT OF YEAR ELAPSED 83%
-----------------------------------

	This Month	Actual Year To-Date	FY 2016 Budget	% Used
<b>MANAGEMENT SERVICES</b>				
<b>Legislative &amp; Regulatory</b>				
Legislative Representation	154,974	1,312,353	1,821,212	72%
Regulatory Representation	80,779	562,703	767,394	73%
Western Representation	59,485	438,374	672,956	65%
Member Support Services	45,955	312,845	459,903	68%
Judicial Action	39,009	403,556	745,000	54%
<b>Power Management</b>				
System Control & Load Dispatch	547,546	3,997,885	5,585,170	72%
Forecasting, Planning, Prescheduling & Trading	307,058	1,768,666	2,478,635	71%
Industry Restructuring & Regulatory Affairs	53,486	260,383	403,758	64%
Contract Admin, Interconnection Svcs & External Affairs	80,157	668,213	1,052,202	64%
Green Power Project	709	5,999	36,418	16%
Gas Purchase Program	8,541	46,748	69,182	68%
Market Purchase Project	6,273	67,100	114,093	59%
<b>Energy Risk Management</b>	18,286	107,230	204,512	52%
<b>Settlements</b>	72,711	449,606	667,611	67%
<b>Integrated Systems Support</b>	33,627	151,428	532,705	28%
<b>Participant Pass Through Costs</b>	184,514	1,171,794	1,444,264	81%
<b>Shared Services Pass Through</b>	-	36,404	-	N/A
	<b>1,693,110</b>	<b>11,761,287</b>	<b>17,055,015</b>	<b>69%</b>
<b>TOTAL ANNUAL BUDGET COST</b>	<b>41,374,907</b>	<b>459,483,557</b>	<b>642,870,293</b>	<b>71%</b>
<b>LESS: THIRD PARTY REVENUE</b>				
Plant ISO Energy Sales	2,156,175	68,665,697	118,904,279	58%
Load Aggregation Energy Sales	7,020,018	107,927,579	178,771,257	60%
Ancillary Services Sales	562,758	5,264,009	4,078,239	129%
Transmission Sales	9,198	91,980	110,376	83%
Western Credits, Interest and Other Income	820,779	11,486,560	16,003,668	72%
	<b>10,568,928</b>	<b>193,435,825</b>	<b>317,867,819</b>	<b>61%</b>
<b>NET ANNUAL BUDGET COST TO PARTICIPANTS</b>	<b>\$ 30,805,979</b>	<b>\$ 266,047,732</b>	<b>\$ 325,002,474</b>	<b>82%</b>

(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.

(e) Variance due to higher than budgeted CA ISO Charges.

(f) Variance due to greater than anticipated ISO wheeling access 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

	April 30,	
	2016	2015
	(in thousands)	
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 39,311	\$ 39,319
Investments	29,731	31,151
Accounts receivable		
Participants	873	-
Other	147	750
Interest receivable	148	72
Inventory and supplies - at average cost	8,907	8,041
Prepaid expenses	243	321
TOTAL CURRENT ASSETS	79,360	79,654
RESTRICTED ASSETS		
Cash and cash equivalents	54,709	72,470
Investments	163,287	138,367
Interest receivable	380	270
TOTAL RESTRICTED ASSETS	218,376	211,107
ELECTRIC PLANT		
Electric plant in service	1,501,077	1,499,338
Less: accumulated depreciation	(906,891)	(876,346)
	594,186	622,992
Construction work-in-progress	106	539
TOTAL ELECTRIC PLANT	594,292	623,531
OTHER ASSETS		
Regulatory assets	251,002	197,935
TOTAL ASSETS	1,143,030	1,112,227
DEFERRED OUTFLOWS OF RESOURCES		
Excess cost on refunding of debt	55,643	63,360
Pension contribution	5,310	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	60,953	63,360
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 1,203,983	\$ 1,175,587

# COMBINED STATEMENTS OF NET POSITION

## NORTHERN CALIFORNIA POWER AGENCY AND ASSOCIATED POWER CORPORATIONS

### UNAUDITED

	April 30,	
	2016	2015
	(in thousands)	
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 23,547	\$ 15,193
Member advances	993	993
Operating reserves	18,637	20,589
Current portion of long-term debt	36,730	35,160
Accrued interest payable	14,280	14,786
TOTAL CURRENT LIABILITIES	94,187	86,721
NON-CURRENT LIABILITIES		
Net pension liability	57,260	-
Operating reserves and other deposits	133,709	122,778
Interest rate swap liability	22,373	21,386
Long-term debt, net	787,432	826,937
TOTAL NON-CURRENT LIABILITIES	1,000,774	971,101
TOTAL LIABILITIES	1,094,961	1,057,822
DEFERRED INFLOWS OF RESOURCES		
Regulatory credits	74,327	78,420
Pension earnings	4,947	-
TOTAL DEFERRED INFLOWS OF RESOURCES	79,274	78,420
NET POSITION		
Net investment in capital assets	(65,867)	(64,959)
Restricted	72,225	72,202
Unrestricted	23,390	32,102
TOTAL NET POSITION	29,748	39,345
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 1,203,983	\$ 1,175,587

COMBINED STATEMENTS OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION

NORTHERN CALIFORNIA POWER AGENCY  
AND ASSOCIATED POWER CORPORATIONS

UNAUDITED

	Ten Months Ended April 30,	
	2016	2015
	(in thousands)	
SALES FOR RESALE		
Participants	\$ 277,182	\$ 237,576
Other Third-Party	109,430	117,815
TOTAL SALES FOR RESALE	386,612	355,391
OPERATING EXPENSES		
Purchased power	158,518	126,532
Operations	58,842	74,819
Transmission	68,336	46,746
Depreciation	25,560	26,074
Maintenance expenses	18,168	15,036
Administrative and general	16,272	17,925
TOTAL OPERATING EXPENSES	345,696	307,132
NET OPERATING REVENUES	40,916	48,259
OTHER (EXPENSES) REVENUES		
Interest expense	(42,030)	(43,015)
Interest income	1,879	1,180
Other	5,148	4,428
TOTAL OTHER EXPENSES	(35,003)	(37,407)
FUTURE RECOVERABLE AMOUNTS	1,342	3,017
REFUNDS TO PARTICIPANTS	(7,497)	(6,757)
INCREASE (DECREASE) IN NET POSITION	(242)	7,112
NET POSITION, Beginning of year	29,990	32,233
NET POSITION, Period ended	\$ 29,748	\$ 39,345

OTHER FINANCIAL INFORMATION

COMBINING STATEMENT OF NET POSITION

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

April 30, 2016

GENERATING & TRANSMISSION RESOURCES																	
		Multiple Capital Facilities		CT		Lodi Energy Center		Transmission No. One		Purchased Power & Transmission		Associated Member Services		Other Agency		Combined	
Geothermal		Hydroelectric		No. One		No. One		No. One		No. One		No. One		No. One		No. One	
\$	1	\$	-	\$	1	\$	1	\$	71	\$	-	\$	122	\$	189	\$	38,926
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	29,731	29,731
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	1	1	1	-	-	-	-	-	-	-	-	-	-	-	-	873	873
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	13	147
	3,968	1,079	642	1,402	1,402	1,816	1,816	-	-	-	-	-	-	-	-	102	148
	-	14	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,907
	12,699	12,639	1,815	(881)	(881)	11,758	11,758	-	-	-	-	-	-	-	-	229	243
	16,669	13,733	2,458	522	522	13,665	13,665	-	-	-	-	-	-	-	-	5,415	79,360
RESTRICTED ASSETS																	
	4,267	8,214	528	-	-	15,012	15,012	-	-	-	-	-	-	-	-	24,411	54,709
	19,977	44,067	4,368	-	-	24,183	24,183	-	-	-	-	-	-	-	-	52,022	163,287
	42	119	10	-	-	40	40	-	-	-	-	-	-	-	-	169	380
	24,286	52,400	4,906	-	-	39,235	39,235	-	-	-	-	-	-	-	-	76,602	218,376
ELECTRIC PLANT																	
	569,142	393,929	64,826	36,245	36,245	423,459	423,459	7,736	7,736	-	-	-	-	-	-	508	1,501,077
	(527,477)	(241,414)	(43,575)	(34,087)	(34,087)	(49,901)	(49,901)	(7,728)	(7,728)	-	-	-	-	-	-	(308)	(906,891)
	41,665	152,515	21,251	2,158	2,158	373,558	373,558	8	8	-	-	-	-	-	-	200	594,186
	-	-	-	-	-	101	101	-	-	-	-	-	-	-	-	5	106
	41,665	152,515	21,251	2,158	2,158	373,659	373,659	8	8	-	-	-	-	-	-	200	594,292
OTHER ASSETS																	
	2,065	160,017	13,334	-	-	18,697	18,697	(8)	(8)	-	-	-	-	-	-	56,897	251,002
DEFERRED OUTFLOWS OF RESOURCES																	
	-	53,352	2,291	-	-	-	-	-	-	-	-	-	-	-	-	-	55,643
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,310	5,310
	-	53,352	2,291	-	-	-	-	-	-	-	-	-	-	-	-	5,310	60,953
	84,685	432,017	44,240	2,680	2,680	445,256	445,256	-	-	41,229	6,816	147,060	1,203,983	1,203,983	1,203,983	1,203,983	1,203,983

\* Eliminated in Combination

# OTHER FINANCIAL INFORMATION

## COMBINING STATEMENT OF NET POSITION

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

April 30, 2016

	GENERATING & TRANSMISSION RESOURCES										Other Agency	Combined
	Geothermal	Hydroelectric	Multiple Capital Facilities	CT No. One	Lodi Energy Center	Transmission	Purchased Power & Transmission	Associated Member Services				
LIABILITIES												
CURRENT LIABILITIES												
Accounts payable	\$ 440	\$ 260	\$ -	\$ -	\$ 770	\$ -	\$ 16,399	\$ -	\$ 5,678	\$ 23,547		
Member advances	791	-	-	-	-	-	-	202	-	993		
Operating reserves	7,087	250	513	250	10,537	-	-	-	-	18,637		
Current portion of long-term debt	3,530	20,050	3,670	-	9,480	-	-	-	-	36,730		
Accrued interest payable	509	6,217	500	-	7,054	-	-	-	-	14,280		
TOTAL CURRENT LIABILITIES	12,357	26,777	4,683	250	27,841	-	16,399	202	5,678	94,187		
NON-CURRENT LIABILITIES												
Net pension liability	-	-	-	-	-	-	-	-	-	57,260		
Operating reserves and other deposits	15,372	14,414	-	-	5,491	-	20,973	1,399	76,060	133,709		
Interest rate swap liability	-	22,373	-	-	-	-	-	-	-	22,373		
Long-term debt, net	31,074	356,111	38,392	-	361,855	-	-	-	-	787,432		
TOTAL NON-CURRENT LIABILITIES	46,446	392,898	38,392	-	367,346	-	20,973	1,399	133,320	1,000,774		
TOTAL LIABILITIES	58,803	419,675	43,075	250	395,187	-	37,372	1,601	138,998	1,094,961		
DEFERRED INFLOWS OF RESOURCES												
Regulatory credits	20,355	3,907	1,064	2,285	43,478	-	-	198	3,040	74,327		
Pension earnings	-	-	-	-	-	-	-	-	4,947	4,947		
TOTAL DEFERRED INFLOWS OF RESOURCES	20,355	3,907	1,064	2,285	43,478	-	-	198	7,987	79,274		
NET POSITION												
Net investment in capital assets	(6,387)	(31,036)	(6,229)	-	(22,215)	-	-	-	-	(65,867)		
Restricted	7,531	42,196	4,405	-	15,401	-	-	2,150	542	72,225		
Unrestricted	4,383	(2,725)	1,925	145	13,405	-	3,857	2,867	(467)	23,390		
TOTAL NET POSITION	5,527	8,435	101	145	6,591	-	3,857	5,017	75	29,748		
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 84,685	\$ 432,017	\$ 44,240	\$ 2,680	\$ 445,256	\$ -	\$ 41,229	\$ 6,816	\$ 147,060	\$ 1,203,983		



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 Ten Months Ended April 30, 2016

GENERATING & TRANSMISSION RESOURCES											
	Multiple Capital Facilities			CT No. One	Lodi Energy Center	Transmission	Purchased Power & Transmission	Associated Member Services	Other Agency	Combined	
Geothermal	Hydroelectric										
\$	5,405 \$	33,791 \$	6,141 \$	2,252 \$	25,840 \$	-	\$	186,289 \$	17,345 \$	119 \$	277,182
	24,433	12,053	307	539	36,505	-		35,593	-	-	109,430
TOTAL SALES FOR RESALE											
	29,838	45,844	6,448	2,791	62,345			221,882	17,345	119	386,612
OPERATING EXPENSES											
Purchased power											
	-	-	-	-	4,531	-		153,987	-	-	158,518
Operations	12,011	3,182	996	835	27,106	-		5,418	9,294	-	58,842
Transmission	710	679	49	(37)	482	-		66,449	4	-	68,336
Depreciation	3,264	7,849	1,844	149	12,167	13		-	31	243	25,560
Maintenance expenses	6,739	3,195	732	944	6,466	-		-	92	-	18,168
Administrative and general	3,768	2,466	494	559	3,907	-		-	5,309	(231)	16,272
Intercompany (sales) purchases, net*	(438)	152	58	85	199	-		-	(56)	-	-
TOTAL OPERATING EXPENSES											
	26,054	17,523	4,173	2,535	54,858	13		225,854	14,674	12	345,696
NET OPERATING REVENUES											
	3,784	28,321	2,275	256	7,487	(13)		(3,972)	2,671	107	40,916
OTHER (EXPENSES) REVENUES											
Interest expense	(1,233)	(25,597)	(1,670)	-	(13,530)	-		-	-	-	(42,030)
Interest income	253	310	27	-	298	-		326	30	635	1,879
Other	46	23	584	9	4,085	-		-	199	202	5,148
TOTAL OTHER (EXPENSES) REVENUES											
	(934)	(25,264)	(1,059)	9	(9,147)	-		326	229	837	(35,003)
FUTURE RECOVERABLE AMOUNTS											
	(939)	1,630	(1,285)	-	2,306	13		-	-	(383)	1,342
REFUNDS TO PARTICIPANTS											
	(1,992)	(3,347)	8	339	1,413	-		(278)	(3,074)	(566)	(7,497)
INCREASE (DECREASE) IN NET POSITION											
	(81)	1,340	(61)	604	2,059	-		(3,924)	(174)	(5)	(242)
NET POSITION, Beginning of year											
	5,608	7,095	162	(459)	4,532	-		7,781	5,191	80	29,990
NET POSITION, Period ended											
\$	5,527 \$	8,435 \$	101 \$	145 \$	6,591 \$	-	\$	3,857 \$	5,017 \$	75 \$	29,748

\* Eliminated in Combination

NORTHERN CALIFORNIA POWER AGENCY & ASSOCIATED POWER CORPORATIONS  
 AGED ACCOUNTS RECEIVABLE  
 April 30, 2016

Status	Participant / Customer	Description	Amount
CURRENT			\$ 1,020,392
PAST DUE:			
1 - 30			
31 - 60			
61 - 90			
91 - 120			
Over 120 Days			
PARTICIPANT and OTHER RECEIVABLES (net)			<u>\$ 1,020,392</u>

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

May 12, 2016

**COMMISSION MEETING DATE:** May 26, 2016

**SUBJECT:** Treasurer's Report for the Month Ended April 30, 2016

**AGENDA CATEGORY:** Consent

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

## 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 \$23,658,808 of which approximately \$246,902 was applicable to Special and Reserve Fund Deposits, \$1,498 to Debt Service and \$23,410,408 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 \$263,252,629 at month end. The current market value of the portfolio totaled \$263,984,363.

The overall portfolio had a combined weighted average interest rate of 0.881% with a bond equivalent yield (yield to maturity) of 0.893%. Investments with a maturity greater than one year totaled \$145,056,000. April maturities totaled \$9 million and monthly receipts totaled \$30 million. During the month \$15 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 remained the same (at 0.23%) and rates on one year T-Bills decreased 4 basis points (from 0.62% to 0.58%).

To the best of my knowledge and belief, all securities held by NCPA as of April 30, 2016 are in compliance with the Agency's investment policy. There are adequate cash flow and investment maturities to meet next month's cash requirements.

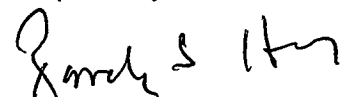
**FISCAL IMPACT:**

This report has no direct budget impact to the Agency.

**ENVIRONMENTAL ANALYSIS:**

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

Respectfully submitted,



RANDY S. HOWARD  
General Manager

Attachments:

SR: 151:16

# **NORTHERN CALIFORNIA POWER AGENCY**

## **TREASURER'S REPORT**

**APRIL 30, 2016**

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Northern California Power Agency  
Treasurer's Report  
Cash & Investment Balance  
April 30, 2016

	CASH	INVESTMENTS	TOTAL	PERCENT
<b>NCPA FUNDS</b>				
Operating	\$ 22,649,669	\$ 66,496,195	89,145,864	31.07%
Special Deposits	758,690	1	758,691	0.26%
Construction	2,049	4,857,883	4,859,932	1.69%
Debt Service	1,498	44,208,882	44,210,380	15.41%
Special & Reserve	246,902	147,689,668	147,936,570	51.56%
	<u>\$ 23,658,808</u>	<u>\$ 263,252,629</u>	<u>\$ 286,911,437</u>	<u>100.00%</u>

Portfolio Investments at Market Value

\$ 263,984,363

NOTE A -Investment amounts shown at book carrying value.

**Northern California Power Agency  
Treasurer's Report  
Cash Activity Summary  
April 30, 2016**

	RECEIPTS			EXPENDITURES			CASH
	OPS/CONSTR	INTEREST (NOTE B)	INVESTMENTS (NOTE A)	OPS/CONSTR	INVESTMENTS (NOTE B)	INTER-COMPANY/ FUND TRANSFERS	INCREASE / (DECREASE)
<b>NCPA FUNDS</b>							
Operating	\$ 27,514,329	\$ 137,969	\$ 8,684,513	\$ (15,459,838)	\$ (8,570,289)	\$ (10,460,298)	\$ 1,846,386
Special Deposits	2,294,658	110	-	(6,495,021)	-	4,196,968	(3,285)
Construction	-	-	-	-	-	-	-
Debt Service	-	6	731	-	(6,014,731)	6,011,999	(1,995)
Special & Reserve	-	167,078	-	-	(402,691)	251,331	15,718
	<u>\$ 29,808,987</u>	<u>\$ 305,163</u>	<u>\$ 8,685,244</u>	<u>\$ (21,954,859)</u>	<u>\$ (14,987,711)</u>	<u>\$ -</u>	<u>\$ 1,856,824</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  
April 30, 2016**

	PURCHASED	SOLD OR MATURED	(NON-CASH) DISC/(PREM) AMORT	(NON-CASH) GAIN/(LOSS) ON SALE	INVESTMENTS TRANSFERS	INCREASE / (DECREASE)
<b>NCPA FUNDS</b>						
Operating	\$ 8,570,289	\$ (8,684,513)	\$ (3,174)	\$ -	\$ -	\$ (117,398)
Special Deposits	-	-	-	-	-	-
Construction	-	-	(412)	-	-	(412)
Debt Service	6,014,731	(731)	11,974	-	-	6,025,974
Special & Reserve	402,691	-	(3,988)	-	-	398,703
	<u>\$ 14,987,711</u>	<u>\$ (8,685,244)</u>	<u>\$ 4,400</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,306,867</u>

**Less Non- Cash Activity**

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

(4,400)

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

\$ 6,302,467

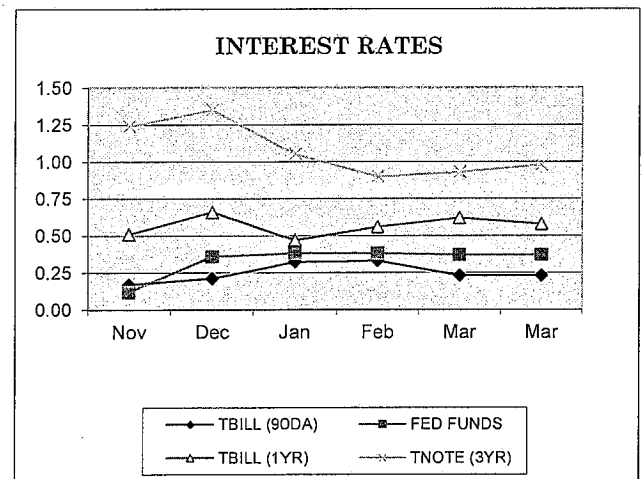
**NOTE A -Investment amounts shown at book carrying value.**



**Northern California Power Agency**  
**Interest Rate/Yield Analysis**  
**April 30, 2016**

	WEIGHTED AVERAGE INTEREST RATE	BOND EQUIVALENT YIELD
OVERALL COMBINED	<u>0.881%</u>	<u>0.893%</u>
<u>OPERATING FUNDS:</u>	0.895%	0.856%
<u>PROJECTS:</u>		
Geothermal	1.066%	1.069%
Capital Facilities	0.989%	0.983%
Hydroelectric	0.977%	0.959%
Lodi Energy Center	0.874%	0.837%

KEY INTEREST RATES		
	CURRENT	PRIOR YEAR
Fed Fds (Ovrnight)	0.37%	0.13%
T-Bills (90da.)	0.23%	0.01%
Agency Disc (90da.)	0.32%	0.06%
T-Bills (1yr.)	0.58%	0.25%
Agency Disc (1yr.)	0.54%	0.27%
T-Notes (3yr.)	0.98%	0.91%



**Northern California Power Agency  
Total Portfolio  
Investment Maturities Analysis  
April 30, 2016**

Type	0-7 Days	8-90 Days	91-180 Days	181-270 Days	271-365 Days	1-5 Years	6-10 Years	Total	Percent
US Government Agencies	\$0	\$49,151	\$5,073	\$865	\$3,914	\$139,685	\$5,371	\$204,059	71.44%
US Bank Trust Money Market	3,428							3,428	1.20%
Commercial Paper	5,000							5,000	1.75%
Investment Trusts (LAIF)	50,104							50,104	17.54%
U.S.Treasury Market Acct. *	23,041							23,041	8.07%
U.S.Treasury Bill									0.00%
Certificates of Deposit		10						10	0.00%
Total Dollars	\$81,573	\$49,161	\$5,073	\$865	\$3,914	\$139,685	\$5,371	\$285,642	100.00%
Total Percents	28.56%	17.21%	1.78%	0.30%	1.37%	48.90%	1.88%	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  
04/30/2016

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	16,250,412	0.462	07/01/2013	16,250,412		1	0.462	16,250,412	SYS70000	70000	16,250,412
Union Bank of Calif	UBOC	721	0.002	07/01/2013	721		1	0.002	721	SYS70014	70014	721
US Bank	USB	22,649,667	0.001	08/30/2013	22,649,667		1	0.001	22,649,667	SYS70050	70050	22,649,667
US Bank	USB	10,000	0.050	04/07/2016	10,000	07/07/2016	67	0.050	10,000	30299	30299	10,000
Federal Farm Credit	UBOC	3,626,000	1.290	12/21/2015	3,624,948	11/19/2018	932	1.300	3,655,806	3133EFPJ0	26280	3,625,079
Federal Home Loan Mt	UBOC	9,870,000	1.750	06/09/2015	9,983,900	05/30/2019	1,124	1.450	10,084,870	3137EADG1	26231	9,958,270
Federal Home Loan Mt	UBOC	7,750,000	1.625	09/30/2015	7,750,000	03/30/2020	1,429	1.625	7,754,263	3134G7G88	26259	7,750,000
Federal Home Loan Mt	UBOC	3,398,000	1.600	04/29/2016	3,398,000	10/29/2020	1,642	1.600	3,395,078	3134G9BY2	26331	3,398,000
Fund Total and Average		\$ 68,554,800	0.702		\$ 68,667,648		456	0.659	\$ 68,800,817			\$ 68,642,149

MPP GHG Auction Acct

Local Agency Investm		189,106	0.462	07/01/2013	189,106		1	0.462	189,106	SYS70045	70045	189,106
Fund Total and Average		\$ 189,106	0.463		\$ 189,106		1	0.463	\$ 189,106			\$ 189,106

SCPA Balancing Account

Local Agency Investm	LAIF	1,506,504	0.462	07/01/2013	1,506,504		1	0.462	1,506,504	SYS70022	70022	1,506,504
Union Bank of Calif	UBOC	66,681	0.005	07/01/2013	66,681		1	0.005	66,681	SYS70023	70023	66,681
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	726	1.000	4,509,504	3130A55T2	26223	4,510,000
Federal National Mtg	UBOC	3,962,000	1.625	12/18/2014	4,000,630	11/27/2018	940	1.369	4,029,790	3135GOYT4	26187	3,987,209
Federal National Mtg	UBOC	5,098,000	1.350	04/28/2016	5,098,000	10/28/2019	1,275	1.350	5,090,353	3135GOJ95	26330	5,098,000
Federal Home Loan Mt	UBOC	5,075,000	1.700	10/28/2015	5,075,000	10/28/2020	1,641	1.700	5,075,914	3134G73K5	26271	5,075,000
Fund Total and Average		\$ 20,218,185	1.343		\$ 20,256,815		1079	1.293	\$ 20,278,746			\$ 20,243,394

General Operating Reserve

Local Agency Investm	LAIF	24,256,854	0.462	07/01/2013	24,256,854		1	0.462	24,256,854	SYS70000	70002	24,256,854
Union Bank of Calif	UBOC	154,750	0.002	07/01/2013	154,750		1	0.002	154,750	SYS70019	70019	154,750
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	12	0.506	4,995,450	3137EADQ9	26085	4,994,989
Federal National Mtg	UBOC	3,263,000	0.750	12/16/2014	3,261,466	04/20/2017	354	0.770	3,265,219	3135GOZB2	26186	3,262,366
Federal Farm Credit	UBOC	7,305,000	0.770	12/05/2012	7,305,000	06/05/2017	400	0.770	7,305,292	3133ECSL4	25942	7,305,000
Federal National Mtg	UBOC	10,490,000	0.900	11/27/2012	10,490,000	11/27/2017	575	0.900	10,486,224	3136G07M7	25934	10,490,000
Federal National Mtg	UBOC	5,970,000	1.625	12/23/2014	6,009,701	11/27/2018	940	1.450	6,072,147	3135GOYT4	26188	5,995,999



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General Operating Reserve

Issuer	Trustee / Custodian	Stated Value	Interest Rate	Purchase Date	Purchased Price	Maturity Date	Days to Maturity	Bond* Equiv Yield	Market Value	CUSIP	Investment #	Carrying Value
Federal Farm Credit	UBOC	9,376,000	1.420	10/22/2015	9,376,000	10/22/2019	1,269	1.420	9,376,000	3133EFLB1	26270	9,376,000
Federal National Mtg	UBOC	4,982,000	1.750	08/28/2015	5,047,364	11/26/2019	1,304	1.430	5,087,569	3135G0ZY2	26246	5,036,969
Federal Farm Credit	UBOC	1,301,000	1.850	06/08/2015	1,301,000	06/08/2020	1,499	1.850	1,301,325	3133EEU65	26229	1,301,000
Federal Farm Credit	UBOC	4,260,000	1.680	10/29/2015	4,260,000	10/29/2020	1,642	1.680	4,243,599	3133EFMG9	26272	4,260,000
Fund Total and Average		\$ 76,353,604	0.951		\$ 76,456,386		566	0.917	\$ 76,544,429			\$ 76,433,927
GRAND TOTALS:		\$ 165,315,695	0.895		\$ 165,569,955		582	0.856	\$ 165,813,088			\$ 165,508,576

\*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 04/30/2016

Investment #25934 - FNMA - Callable quarterly.  
Investment #25942 - FFCB - Callable anytime.  
Investment #26223 - FHLMC - Callable on 4/27/2017 Only.  
Investment #26229 - FFCB - Callable 9/8/16, then anytime  
Investment #26259 - FHLMC - Callable quarterly.  
Investment #26270 - FFCB - Callable anytime.  
Investment #26271 - FHLMC - Callable quarterly.  
Investment #26272 - FFCB - Callable anytime.  
Investment #26330 - FNMA - Callable quarterly.  
Investment #26331 - FHLMC - Callable quarterly.



Northern California Power Agency  
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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	25	0.253	872,852	313396XH1	26226	872,848
Fund Total and Average		\$ 873,000	0.250		\$ 870,824		25	0.254	\$ 872,852			\$ 872,848

Geothermal Debt Service

Federal Home Loan Ba	USBT	346,000	0.304	03/29/2016	345,827	05/27/2016	26	0.309	345,941	313384XJ3	26314	345,924
Federal Home Loan Ba	USBT	347,000	0.239	04/25/2016	346,866	06/22/2016	52	0.243	346,861	313384YL7	26328	346,880
Federal Home Loan Mt	USBT	242,000	0.490	12/28/2015	241,391	06/30/2016	60	0.498	241,886	313396YU1	26284	241,802
Federal Home Loan Mt	USBT	21,000	0.370	02/26/2016	20,973	06/30/2016	60	0.375	20,990	313396YU1	26306	20,987
Federal Home Loan Ba	USBT	326,000	0.350	02/26/2016	325,601	07/01/2016	61	0.355	325,827	313384YV5	26305	325,807
Federal National Mtg	USBT	992,000	0.390	01/27/2016	990,324	07/01/2016	61	0.396	991,474	313568YV1	26293	991,344
Fund Total and Average		\$ 2,274,000	0.359		\$ 2,270,982		54	0.364	\$ 2,272,979			\$ 2,272,744

Geo 2012A Debt Service

Federal Home Loan Mt	USBT	262,000	0.490	12/28/2015	261,340	06/30/2016	60	0.498	261,877	313396YU1	26285	261,786
Federal Home Loan Mt	USBT	79,000	0.370	02/26/2016	78,899	06/30/2016	60	0.375	78,963	313396YU1	26307	78,951
U.S. Treasury	USBT	79,000	0.269	03/29/2016	78,945	06/30/2016	60	0.273	78,979	912796HY8	26315	78,964
U.S. Treasury	USBT	80,000	0.200	04/26/2016	79,971	06/30/2016	60	0.202	79,979	912796HY8	26329	79,973
Federal National Mtg	USBT	79,000	0.390	01/27/2016	78,866	07/01/2016	61	0.396	78,958	313568YV1	26292	78,948
Fund Total and Average		\$ 579,000	0.390		\$ 578,021		60	0.396	\$ 578,756			\$ 578,622

Geothermal Special Reserve

Local Agency Investm	LAIF	0	0.356	07/01/2013	0		1	0.356	0	SYS70032	70032	0
Union Bank of Califo	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	939	1.150	1,500,030	3134G8KVO	26302	1,500,000
Fund Total and Average		\$ 1,500,000	1.150		\$ 1,500,000		939	1.150	\$ 1,500,030			\$ 1,500,000

Geo Decommissioning Reserve

Local Agency Investm	LAIF	3,287,707	0.462	07/01/2013	3,287,707		1	0.462	3,287,707	SYS70027	70027	3,287,707
Union Bank of Califo	UBOC	67,740	0.002	07/01/2013	67,740		1	0.002	67,740	SYS70034	70034	67,740
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	08/28/2016	117	0.635	4,130,931	3135G0VE7	26084	4,128,194



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Geo Decommissioning Reserve

Issuer	Trustee / Custodian	Stated Value	Interest Rate	Purchase Date	Purchased Price	Maturity Date	Days to Maturity	Bond* Equiv Yield	Market Value	CUSIP	Investment #	Carrying Value
Federal Home Loan Mt	UBOC	865,000	0.625	12/20/2012	865,000	12/05/2016	218	0.624	865,355	3134G3Z37	25946	865,000
Federal Farm Credit	UBOC	5,488,000	1.900	08/28/2015	5,498,976	08/24/2020	1,576	1.857	5,503,312	3133EFAR8	26247	5,497,491
Fund Total and Average		\$ 13,836,447	1.090		\$ 13,848,992		674	1.076	\$ 13,855,045			\$ 13,845,132

GEO Debt Service Reserve Acct

Federal Home Loan Mt	USBT	1,109,000	1.750	06/02/2015	1,125,979	05/30/2019	1,124	1.354	1,133,143	3137EADG1	26228	1,122,094
Federal Home Loan Mt	USBT	2,515,000	1.250	02/27/2015	2,483,839	10/02/2019	1,249	1.530	2,527,525	3137EADM8	26197	2,491,822
Fund Total and Average		\$ 3,624,000	1.405		\$ 3,609,818		1210	1.476	\$ 3,660,668			\$ 3,613,916

Geo 2012A DSR Account

Federal Home Loan Ba	USB	1,500,000	1.750	09/29/2015	1,500,000	09/29/2020	1,612	1.750	1,500,015	3130A6HQ3	26261	1,500,000
Fund Total and Average		\$ 1,500,000	1.750		\$ 1,500,000		1612	1.750	\$ 1,500,015			\$ 1,500,000
GRAND TOTALS:		\$ 24,186,447	1.066		\$ 24,178,637		733	1.069	\$ 24,240,345			\$ 24,184,262

\*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 04/30/2016

Investment #26247 - FHLB - Callable 8/24/16, then any time  
Investment #26261 - FHLB - Callable any time  
Investment #26302 - FHLMC - 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 Ba	USBT	473,000	0.319	04/25/2016	472,601	07/29/2016	89	0.324	472,631	313384ZZ5	26327	472,626
Federal Home Loan Mt	USBT	473,000	0.450	01/27/2016	471,912	07/29/2016	89	0.457	472,631	313396ZZ9	26295	472,474
Federal Home Loan Mt	USBT	1,507,000	0.420	02/09/2016	1,503,994	07/29/2016	89	0.426	1,505,825	313396ZZ9	26301	1,505,435
Federal National Mtg	USBT	473,000	0.410	02/26/2016	472,154	08/01/2016	92	0.416	472,593	313588AA7	26309	472,504
Federal National Mtg	USBT	472,000	0.349	03/29/2016	471,426	08/01/2016	92	0.355	471,594	313588AA7	26317	471,578
Fund Total and Average		\$ 3,398,000	0.399		\$ 3,392,087		90	0.405	\$ 3,395,274			\$ 3,394,617

Cap. Fac. Debt Svc Reserve

Federal Home Loan Mt	USB	1,443,000	2.375	02/13/2012	1,447,430	01/13/2022	2,083	2.340	1,508,555	3137EADB2	25845	1,445,546
Fund Total and Average		\$ 1,443,000	2.375		\$ 1,447,430		2083	2.340	\$ 1,508,555			\$ 1,445,546
GRAND TOTALS:		\$ 4,841,000	0.989		\$ 4,839,517		685	0.983	\$ 4,903,829.			\$ 4,840,163

\*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 04/30/2016





Northern California Power Agency  
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Capital Dev. Reserve Hydro

Issuer	Trustee / Custodian	Stated Value	Interest Rate	Purchase Date	Purchased Price	Maturity Date	Days to Maturity	Bond* Equiv Yield	Market Value	CUSIP	Investment #	Carrying Value
Local Agency Investm	LAIF	2,232,257	0.462	07/01/2013	2,232,257		1	0.462	2,232,257	SYS70028	70028	2,232,257
Union Bank of Calif	UBOC	21,646	0.002	07/01/2013	21,646		1	0.002	21,646	SYS70031	70031	21,646
US Bank	USB	0	0.000	07/01/2013	0		1	0.000	0	SYS70052	70052	0
Federal Home Loan Ba	UBOC	3,575,000	1.100	12/29/2015	3,575,000	12/29/2017	607	1.100	3,575,286	3130A6UA3	26283	3,575,000
Federal Home Loan Ba	UBOC	5,320,000	1.350	12/29/2015	5,320,000	06/29/2018	789	1.350	5,321,809	3130A6XM4	26282	5,320,000
Federal Home Loan Mt	UBOC	3,221,000	1.150	02/29/2016	3,221,000	11/29/2018	939	1.150	3,221,064	3134G8KVO	26304	3,221,000
Fund Total and Average		\$ 14,369,903	1.103		\$ 14,369,903		654	1.103	\$ 14,372,062			\$ 14,369,903

Hydro Initial Facilities

Federal National Mtg	USB	1,529,000	1.625	12/12/2014	1,539,244	11/27/2018	940	1.450	1,555,161	3135GOYT4	26189	1,535,657
Federal Farm Credit	USB	2,437,000	1.250	02/02/2016	2,450,501	01/22/2019	996	1.060	2,455,156	3133EFVQ7	26300	2,449,378
Fund Total and Average		\$ 3,966,000	1.395		\$ 3,989,745		974	1.210	\$ 4,010,317			\$ 3,985,035

Hydro Debt Service

Federal Home Loan Ba	USBT	2,913,000	0.305	03/29/2016	2,911,544	05/27/2016	26	0.309	2,912,505	313384XJ3	26316	2,912,358
Federal Home Loan Ba	USBT	2,913,000	0.240	04/25/2016	2,911,874	06/22/2016	52	0.243	2,911,835	313384YL7	26326	2,911,990
Federal Home Loan Mt	USBT	1,590,000	0.490	12/28/2015	1,585,996	06/30/2016	60	0.498	1,589,253	313396YU1	26286	1,588,702
Federal Home Loan Ba	USBT	2,915,000	0.350	02/26/2016	2,911,429	07/01/2016	61	0.355	2,913,455	313384YV5	26308	2,913,271
Federal National Mtg	USBT	11,750,000	0.390	01/27/2016	11,730,143	07/01/2016	61	0.396	11,743,773	313588YV1	26294	11,742,235
Fund Total and Average		\$ 22,081,000	0.361		\$ 22,050,986		55	0.366	\$ 22,070,821			\$ 22,068,556

Hydro Debt Service Resrv 2010A

Federal Farm Credit	USB	5,528,000	1.750	08/28/2015	5,546,187	08/04/2020	1,556	1.680	5,614,845	3133EE529	26243	5,543,699
Fund Total and Average		\$ 5,528,000	1.750		\$ 5,546,187		1556	1.680	\$ 5,614,845			\$ 5,543,699

Hydro 2012A Rebate Account

Federal Home Loan Mt	USB	651,000	1.000	02/09/2012	649,392	03/08/2017	311	1.050	653,038	3137EADCO	25853	650,730
Fund Total and Average		\$ 651,000	1.000		\$ 649,392		311	1.050	\$ 653,038			\$ 650,730

Hydro Special Reserve

Local Agency Investm	LAIF	0	0.377	07/01/2013	0		1	0.377	0	SYS70000	70003	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
Local Agency Investm	LAIF	0	0.356	07/01/2013	0		1	0.356	0	SYS70033	70033	0
Union Bank of Califo	UBOC	0	0.002	07/01/2013	0		1	0.002	0	SYS70016	70016	0
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	939	1.150	1,500,030	3134G8KVO	26303	1,500,000
Fund Total and Average		\$ 1,500,000	1.150		\$ 1,500,000		939	1.150	\$ 1,500,030			\$ 1,500,000

Hydro 2012 DSRA

Federal Farm Credit	USB	100,000	1.750	08/28/2015	100,329	08/04/2020	1,556	1.680	101,571	3133EE529	26244	100,284
Federal Home Loan Mt	USB	3,928,000	2.375	02/09/2012	3,926,232	01/13/2022	2,083	2.380	4,106,449	3137EADB2	25852	3,926,985
Fund Total and Average		\$ 4,028,000	2.359		\$ 4,026,561		2070	2.363	\$ 4,208,020			\$ 4,027,269
GRAND TOTALS:		\$ 52,123,903	0.977		\$ 52,132,774		634	0.959	\$ 52,429,133			\$ 52,145,192

\*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 04/30/2016

Investment #26282 - FHLB - Callable 6/29/16, then anytime.

Investment #26283 - FHLB - Callable quarterly.

Investment #26303 - FHLMC - Callable 5/26/16, then quarterly.



Northern California Power Agency  
Treasurer's Report

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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		71,214	0.463	07/01/2013	71,214		1	0.463	71,214	SYS70046	70046	71,214
Fund Total and Average		\$ 71,214	0.463		\$ 71,214		1	0.463	\$ 71,214			\$ 71,214

LEC Construction Revolving

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

LEC Issue#1 2010A DS Fund

US Bank Trust	USB	785	0.100	07/01/2013	785		1	0.100	785	SYS79003	79003	785
Federal Home Loan Ba	USBT	695,000	0.520	12/24/2015	693,474	05/24/2016	23	0.528	694,996	313384XF1	26288	694,769
Federal Home Loan Ba	USBT	2,560,000	0.240	12/02/2015	2,556,979	05/27/2016	26	0.243	2,559,565	313384XJ3	26278	2,559,556
Federal Home Loan Ba	USBT	695,000	0.381	02/26/2016	694,331	05/27/2016	26	0.386	694,982	313384XJ3	26310	694,809
Federal Home Loan Ba	USBT	694,000	0.304	03/29/2016	693,653	05/27/2016	26	0.309	693,882	313384XJ3	26318	693,847
Federal Home Loan Ba	USBT	693,000	0.250	04/25/2016	692,827	05/31/2016	30	0.253	692,861	313384XN4	26322	692,856
Federal National Mtg	USBT	694,000	0.360	01/27/2016	693,126	06/01/2016	31	0.365	693,833	313588XP5	26296	693,785
Fund Total and Average		\$ 6,031,785	0.311		\$ 6,025,175		27	0.316	\$ 6,030,704			\$ 6,030,407

LEC Issue #1 2010B DS Fund

US Bank Trust	USB	826	0.100	07/01/2013	826		1	0.100	826	SYS79004	79004	826
Federal Home Loan Ba	USBT	811,000	0.520	12/24/2015	809,219	05/24/2016	23	0.528	810,878	313384XF1	26289	810,731
Federal Home Loan Ba	USBT	727,000	0.381	02/26/2016	726,300	05/27/2016	26	0.386	726,876	313384XJ3	26311	726,800
Federal Home Loan Ba	USBT	726,000	0.305	03/29/2016	725,637	05/27/2016	26	0.309	725,877	313384XJ3	26319	725,840
Federal Home Loan Ba	USBT	726,000	0.250	04/25/2016	725,819	05/31/2016	30	0.253	725,855	313384XN4	26324	725,849
Federal National Mtg	USBT	727,000	0.360	01/27/2016	726,084	06/01/2016	31	0.365	726,826	313588XP5	26298	726,775
Fund Total and Average		\$ 3,717,826	0.367		\$ 3,713,886		27	0.372	\$ 3,717,138			\$ 3,716,821

LEC Issue #2 2010A DS Fund

US Bank Trust	USB	96	0.100	07/01/2013	96		1	0.100	96	SYS79011	79011	96
Federal Home Loan Ba	USBT	436,000	0.519	12/24/2015	435,043	05/24/2016	23	0.528	435,935	313384XF1	26290	435,855
Federal Home Loan Ba	USBT	2,188,000	0.240	12/02/2015	2,185,418	05/27/2016	26	0.243	2,187,628	313384XJ3	26279	2,187,621
Federal Home Loan Ba	USBT	435,000	0.381	02/26/2016	434,581	05/27/2016	26	0.386	434,926	313384XJ3	26312	434,880
Federal Home Loan Ba	USBT	434,000	0.305	03/29/2016	433,783	05/27/2016	26	0.309	433,926	313384XJ3	26320	433,904



Northern California Power Agency  
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LEC Issue #2 2010A 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
Federal Home Loan Ba	USBT	435,000	0.250	04/25/2016	434,891	05/31/2016	30	0.253	434,913	313384XN4	26323	434,909
Federal National Mfg	USBT	434,000	0.360	01/27/2016	433,453	06/01/2016	31	0.365	433,896	313588XP5	26297	433,865
Fund Total and Average		\$ 4,362,096	0.301		\$ 4,357,265		27	0.306	\$ 4,361,320			\$ 4,361,130

LEC Issue #2 2010B DS Fund

US Bank Trust	USB	466	0.100	07/01/2013	466		1	0.100	466	SYS79012	79012	466
Federal Home Loan Ba	USBT	349,000	0.520	12/24/2015	348,234	05/24/2016	23	0.528	348,948	313384XF1	26291	348,884
Federal Home Loan Ba	USBT	349,000	0.381	02/26/2016	348,664	05/27/2016	26	0.386	348,941	313384XJ3	26313	348,904
Federal Home Loan Ba	USBT	349,000	0.304	03/29/2016	348,826	05/27/2016	26	0.309	348,941	313384XJ3	26321	348,923
Federal Home Loan Ba	USBT	349,000	0.250	04/25/2016	348,913	05/31/2016	30	0.253	348,930	313384XN4	26325	348,927
Federal National Mfg	USBT	390,000	0.360	01/27/2016	389,509	06/01/2016	31	0.365	389,906	313588XP5	26299	389,879
Fund Total and Average		\$ 1,786,466	0.363		\$ 1,784,612		27	0.369	\$ 1,786,132			\$ 1,785,983

LEC Issue #1 2010 DSR Fund

US Bank Trust	USB	76,768	0.100	07/01/2013	76,768		1	0.100	76,768	SYS79005	79005	76,768
Federal National Mfg	USB	4,170,000	0.875	05/30/2014	4,171,960	08/28/2017	484	0.977	4,175,838	3135GOMZ3	26136	4,170,800
Federal Farm Credit	USBT	4,287,000	1.850	06/08/2015	4,287,000	06/08/2020	1,499	1.850	4,288,072	3133EEU65	26230	4,287,000
Fund Total and Average		\$ 8,533,768	1.358		\$ 8,535,728		990	1.408	\$ 8,540,678			\$ 8,534,568

LEC Iss#1 2010B BABS Subs Resv

US Bank Trust	USB	2,261,899	0.100	07/01/2013	2,261,899		1	0.100	2,261,899	SYS79006	79006	2,261,899
Fund Total and Average		\$ 2,261,899	0.100		\$ 2,261,899		1	0.100	\$ 2,261,899			\$ 2,261,899

LEC Issue #2 2010B DSR BABS

US Bank Trust	USB	1,086,896	0.100	07/01/2013	1,086,896		1	0.100	1,086,896	SYS79013	79013	1,086,896
Fund Total and Average		\$ 1,086,896	0.100		\$ 1,086,896		1	0.100	\$ 1,086,896			\$ 1,086,896

LEC O & M Reserve

Local Agency Investm		2,309,998	0.462	07/01/2013	2,309,998		1	0.462	2,309,998	SYS70047	70047	2,309,998
Union Bank of Califo	UBOC	79,697	0.002	07/18/2013	79,697		1	0.002	79,697	SYS70041	70041	79,697
Federal National Mfg	UBOC	2,933,000	1.875	08/28/2015	2,998,142	02/19/2019	1,024	1.220	3,001,896	3135GOZ44	26248	2,985,488
Federal Farm Credit	UBOC	6,000,000	1.740	09/30/2015	6,000,000	09/30/2020	1,613	1.740	6,000,060	3133EFFZ5	26260	6,000,000



Northern California Power Agency  
Treasurer's Report

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LEC O & M Reserve

Issuer	Trustee / Custodian	Stated Value	Interest Rate	Purchase Date	Purchased Price	Maturity Date	Days to Maturity	Bond* Equiv Yield	Market Value	CUSIP	Investment #	Carrying Value
	Fund Total and Average	\$ 11,322,695	1.504		\$ 11,387,837		1120	1.332	\$ 11,391,651			\$ 11,375,183
	GRAND TOTALS:	\$ 39,174,646	0.874		\$ 39,224,512		551	0.837	\$ 39,247,633.			\$ 39,224,102

\*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 04/30/2016

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



#12

# Commission Staff Report

May 9, 2016

**COMMISSION MEETING DATE:** May 26, 2016

**SUBJECT:** Annual Budget Working Capital Deposit Adjustments for FY 2017

**AGENDA CATEGORY:** Consent

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

## 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 approval of the Annual Budget Working Capital Deposit Adjustments for FY 2017 as indicated on the attachments.

## **BACKGROUND:**

The Agency provides Working Capital for its Projects and Programs through a combination of: (1) Month Ahead Advance Billing; (2) Project Financed Deposits; and, (3) Working Capital Participant Deposits of 15 to 30 days' equivalencies - see attached Analysis of Working Capital Requirements.

In connection with the preparation of the Annual Budget, the Working Capital Participant Deposits are adjusted each year to reflect any changes in the Annual Budget. The proportional allocation of these deposits is based on the participants' participation percentage in each Project or Program. Any additional deposit required is billed via the monthly All Resources Bill (ARB) and any Refund credit is deposited to the participant's individual account in the NCPA General Operating Reserve (G.O.R.).

Please note that calculations for the Lodi Energy Center have not been included based on the 60 day Operating Reserve requirement in the Power Sale Agreement (PSA) for that Project.

## **FISCAL IMPACT:**

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

The attached Working Capital Deposit and FY 2017 Funding Requirement schedule shows each participant's Additional Requirement Charge or (Refund). The Additional Requirement Charge will be billed on the next ARB following Commission approval, and Refunds of credit amounts will likewise be deposited into the applicable participant's individual NCPA G.O.R. account at that time.

## **ENVIRONMENTAL ANALYSIS:**

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

**COMMITTEE REVIEW:**

The recommendation was reviewed by the Utility Directors on May 12, 2016 and was recommended for Commission approval.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Randy S. Howard", written in a cursive style.

RANDY S. HOWARD  
General Manager

Attachments:

- Analysis of Working Capital Requirements
- Working Capital by Participant



**Northern California Power Agency**  
**Analysis of Working Capital Requirements**  
**FY 2017 Budget**

	Annual Budget Cost	30 Days Working Capital				Add'l Reqmnt (Excess Reqmnt)
		Proposed (A)	FYE 2016 Balance		Total	
			From Bonds	Operations		
<b>GENERATION RESOURCES</b>						
Hydroelectric	\$ 48,611,843	\$ 3,995,494	\$ 100,000	\$ 3,839,248	\$ 3,939,248	\$ 56,246
Geothermal	33,089,593	2,719,693		2,664,856	2,664,856	54,836
Combustion Turbine No. 1	2,648,330	217,671		236,492	236,492	(18,821)
Combustion Turbine No. 2 (STIG)	8,587,238	705,800	1,000,000	(307,025)	692,975	12,825
Lodi Energy Center (G)	94,318,807				-	-
Member Resource - Energy (B)	45,637,694				-	-
Member Resource - Gas (B)	4,877,728				-	-
Western Resource (C)	30,288,301				-	-
Market Power Purchases (D)	39,302,363	1,001,015		1,158,435	1,158,435	(157,420)
Load Aggregation Costs - CAISO (H)	240,128,621					
Net GHG Obligations (I)	2,539,910					
	550,030,428	8,639,673	1,100,000	7,592,006	8,692,006	(52,333)
<b>TRANSMISSION</b>						
Hydroelectric	3,242,623	266,517		263,931	263,931	2,586
Geothermal Plant No. 1	37,142	3,053		3,025	3,025	27
Geothermal Plant No. 2	18,570	1,526		1,512	1,512	14
ISO (E)	81,001,343					
	84,299,678	271,096	-	268,469	268,469	2,628
<b>MANAGEMENT SERVICES</b>						
Legislative Representation	1,896,810	155,902		149,689	149,689	6,214
Regulatory Representation	794,328	65,287		63,073	63,073	2,214
Western Representation	816,695	67,126		65,174	65,174	1,951
Member Services	432,215	35,525		37,800	37,800	(2,276)
Judicial Action (F)	625,000	-		-	-	-
System Control and Load Dispatch	5,621,941	462,077		459,055	459,055	3,022
Forecasting & Prescheduling	2,554,949	209,996		203,724	203,724	6,272
Industrial Restructuring & Reg Affairs	414,128	34,038		33,186	33,186	852
Contract Administration	1,136,523	93,413		86,482	86,482	6,931
Green Power Project	17,782	1,462		2,993	2,993	(1,532)
Gas Purchase Program	86,550	7,114		5,686	5,686	1,428
Market Purchase Program	127,856	10,509		9,378	9,378	1,131
Power Management Direct Cost to Prgm	(1,327,566)	-		-	-	-
Energy Risk Management	211,925	17,418		16,809	16,809	609
Settlements	861,558	70,813		54,872	54,872	15,941
Integrated Systems Support	310,532	25,523		43,784	43,784	(18,261)
Participant Pass Through Costs	1,383,747	-		-	-	-
	15,964,973	1,256,202	-	1,231,706	1,231,706	24,497
	\$ 650,295,079	\$ 10,166,971	\$ 1,100,000	\$ 9,092,180	\$ 10,192,180	\$ (25,209)

The FY 17 working capital of \$10,166,971 represents approximately a 30 day requirement of the proposed budget, excluding the ISO. A 45 day requirement (1/8 of a year) is a utility standard rule of thumb and covers a 15th of the month billing for the previous month with 30 days to pay.

- (A) Proposed amounts represent 30/365 of the FY17 budget. This was done to ensure that a minimum of 30 days working capital is maintained for each program.
- (B) Represents specific contract amounts either billed directly to participants or advance billed through NCPA. No working capital considered necessary.
- (C) Western energy, O&M and Restoration Fund requirements are billed on an estimated basis with payment generally required 15 to 30 days after month end.
- (D) No working capital considered necessary.
- (E) Market power purchase requirements are billed on an estimated basis with payment generally required 15 to 30 days after month end. The above proposed represents approximately 15 days working capital based on current budget purchase estimates.
- (F) ISO costs are secured by SC Program Agreement required participant deposits. No additional working capital considered necessary.
- (G) Judicial Action costs are primarily legal costs associated with Legislative, Regulatory and Pooling program issues. No additional working capital considered necessary.
- (H) The project maintains a separate O&M Reserve to cover working capital requirements. See also PMOA schedule 5.0.
- (I) Load Aggregation Costs - CAISO are offset by energy sales through ISO. No working capital considered necessary.
- (J) GOR commitments cover Net GHG allowances. No working capital considered necessary.

Memorandum	
Only	
45 Days	
Working Capital	
\$ 5,993,241	
4,079,539	
326,506	
1,058,701	
1,877,921	
313,140	
399,775	
4,579	
2,289	
233,853	
97,931	
100,688	
53,287	
693,116	
314,994	
51,057	
140,119	
2,192	
10,671	
15,763	
(163,673)	
26,128	
106,219	
38,285	
\$ 15,776,322	

**Northern California Power Agency**  
**Working Capital Deposit and FY 2017 Funding Requirement**

<b>Participant</b>	<b>Total Deposit On Hand</b>	<b>FY 2017 Budget Funding Requirement</b>	<b>Additional Requirement Charge (Refund)</b>
Alameda	\$1,264,469	\$ 1,257,277	(\$7,192)
BART	64,638	71,146	6,508
Biggs	34,029	30,263	(3,766)
Gridley	43,643	43,331	(312)
Healdsburg	234,287	234,831	544
Lodi	1,433,747	1,417,064	(16,683)
Lompoc	389,285	382,797	(6,488)
Palo Alto	1,560,958	1,566,368	5,410
Plumas Sierra	193,297	198,664	5,367
Port of Oakland	142,853	84,533	(58,320)
Redding	33,785	34,477	692
Roseville	1,044,347	1,060,839	16,492
SVP	3,213,370	3,248,611	35,241
Truckee Donner	15,511	13,291	(2,220)
TID	182,098	185,396	3,298
Ukiah	341,863	338,083	(3,780)
	<u>\$10,192,180</u>	<u>\$10,166,971</u>	<u>(\$25,209)</u>



#13

# Commission Staff Report

May 12, 2016

**COMMISSION MEETING DATE:** May 26, 2016

**SUBJECT:** Approve Increase to Fiscal Year 2017 Budget for "Energy Efficiency Target"

**AGENDA CATEGORY:** Consent

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

<b>IMPACTED MEMBERS:</b>					
All Members	<input type="checkbox"/>	City of Lodi	<input checked="" type="checkbox"/>	City of Ukiah	<input checked="" type="checkbox"/>
Alameda Municipal Power	<input checked="" type="checkbox"/>	City of Lompoc	<input checked="" type="checkbox"/>	Plumas-Sierra REC	<input checked="" type="checkbox"/>
Bay Area Rapid Transit	<input type="checkbox"/>	City of Palo Alto	<input checked="" type="checkbox"/>	Port of Oakland	<input checked="" type="checkbox"/>
City of Biggs	<input checked="" type="checkbox"/>	City of Redding	<input checked="" type="checkbox"/>	Truckee Donner PUD	<input checked="" type="checkbox"/>
City of Gridley	<input checked="" type="checkbox"/>	City of Roseville	<input checked="" type="checkbox"/>	Other	<input type="checkbox"/>
City of Healdsburg	<input checked="" type="checkbox"/>	City of Santa Clara	<input checked="" type="checkbox"/>		<input type="checkbox"/>
<i>If other, please specify.</i> <hr style="width: 200px; margin-left: auto;"/> <hr style="width: 200px; margin-left: auto;"/>					
<i>Place an X in the box next to the applicable Member(s) above.</i>					

## **RECOMMENDATION:**

Approve an increase to the Fiscal Year 2017 NCPA Budget – Participant Pass Through Costs – Member Services Projects – Energy Efficiency Target, from \$80,000 to \$113,292 to reflect the actual cost of the project to NCPA members as detailed in the CMUA contract with Navigant Consulting, and the related funding agreement between NCPA and CMUA for Navigant's services to NCPA members.

## **BACKGROUND:**

Pursuant to Public Utilities Code Section 9505(b), every four years all publicly owned utilities (POU)s are required to "identify all potentially achievable cost-effective electricity efficiency savings and shall establish annual targets for energy efficiency savings and demand reduction for the next 10-year period, consistent with the annual targets established by the Energy Commission pursuant to subdivision (c) of Section 25310 of the Public Resources Code."

Since 2007, NCPA has collaborated with SCPPA and CMUA on the development of 10-year EE potential studies. By March 15, 2017, POU's need to adopt updated 10-year EE potential studies. In anticipation of this, the Fiscal Year 2016-2017 NCPA budget, under Participant Pass Through Costs, includes the line item "Energy Efficiency Target" to fund the development of 10-year EE potential studies on behalf of NCPA members. The item was estimated to have a total cost of \$80,000, based on the most recent potential studies, which were completed by Navigant for 2013.

NCPA and SCPPA worked with CMUA to issue a RFP on behalf of all of our members for the development of updated 10-year EE potential studies. At the conclusion of the RFP process on April 28, 2016, Navigant was once again selected as the vendor to work with our members on developing the 10-year EE potential studies.

Of the qualified applicants – two of which were invited for interviews – Navigant provided the lowest cost option. In addition, both the CPUC (on behalf of the IOUs) and the CEC utilize the Navigant model to develop IOU and statewide 10-year EE potential studies respectively. The decision to use Navigant was both a cost-effective and politically risk-averse selection.

However, the Fiscal Year 2017 line item of \$80,000 is not enough to cover NCPA members' share of the Navigant contract. Since 2013, which was the last time California POU's adopted 10-year EE targets, the Navigant model has become more sophisticated. In addition, building code has become more complicated, as has the energy efficiency sector. As such, developing the 10-year EE targets is a more complicated process today than it was in 2012. Therefore, the total cost for Navigant Consulting to develop 10-year EE potential studies for all NCPA members (excluding BART) has increased by \$33,292.

## **FISCAL IMPACT:**

Total cost of the project is \$113,292. This project is included in the Fiscal Year 2017 budget, but with a projected total cost of \$80,000. The request from staff is to increase the total budget by \$33,292 for a total not to exceed cost of \$113,292. Costs will be allocated to members as

delineated in the professional services contract between CMUA and Navigant Consulting, which is included as an attachment.

**ENVIRONMENTAL ANALYSIS:**

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

**COMMITTEE REVIEW:**

The recommendation was reviewed by the Public Benefits Advisory Group on April 21, 2016, and was recommended for Commission approval.

Respectfully submitted,



RANDY S. HOWARD  
General Manager

**Attachments:**

- Resolution 16-37
- Professional Services Agreement between CMUA and Navigant Consulting for the development of 10-year Energy Efficiency Potential Studies

RESOLUTION 16-37

RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY  
APPROVE INCREASE TO FISCAL YEAR 2017 BUDGET FOR "ENERGY EFFICIENCY TARGET"

(reference Staff Report #153:16)

WHEREAS, pursuant to Public Utilities Code Section 9505(b), every four years all publicly owned utilities (POU)s are required to "identify all potentially achievable cost-effective electricity efficiency savings and shall establish annual targets for energy efficiency savings and demand reduction for the next 10-year period, consistent with the annual targets established by the Energy Commission pursuant to subdivision (c) of Section 25310 of the Public Resources Code."; and

WHEREAS, since 2007, NCPA has collaborated with SCPPA and CMUA on the development of 10-year energy efficiency (EE) potential studies, and by March 15, 2017, POUs need to adopt updated 10-year EE potential studies; and

WHEREAS, in anticipation of the need to adopt updated 10-year EE potential studies, the recently adopted Fiscal Year 2017 NCPA budget, under Participant Pass Through Costs, includes the line item "Energy Efficiency Target" to fund the development of 10-year EE potential studies on behalf of NCPA members and at an estimated cost of \$80,000, based on the most recent potential studies, which were completed by Navigant Consulting for 2013; and

WHEREAS, NCPA and SCPPA worked with CMUA to issue a RFP for the development of updated 10-year EE potential studies and at the conclusion of the RFP process, selected Navigant Consulting to work with our members on developing the 10-year EE potential studies; and

WHEREAS, the cost to develop 10-year EE potential studies for all NCPA members (excluding BART) is \$113,292; 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 recommendation to approve an increase to the Fiscal Year 2017 NCPA Budget – Participant Pass Through Costs – Member Services Projects – Energy Efficiency Target, from \$80,000 to \$113,292 to reflect the actual cost of the project to NCPA members as detailed in the CMUA contract with Navigant Consulting and the related funding agreement between NCPA and CMUA for Navigant's services to NCPA members.

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

**PROFESSIONAL SERVICES AGREEMENT**  
**BETWEEN**  
**California Municipal Utilities Association**  
**AND**  
**Navigant Consulting, Inc.**

This PROFESSIONAL SERVICES AGREEMENT ("Agreement") is dated as of April \_\_, 2016, by and between Navigant Consulting, Inc. ("Consultant"), a corporation, located at 1 Market Street, Suite 1200, San Francisco, CA 94105, and California Municipal Utilities Association ("CMUA"), a Non-Profit Association created pursuant to the laws of the State of California, located at 915 L Street, Suite 1460, Sacramento, California 95814. CMUA and Consultant are also referred to individually as "Party" and together as "Parties."

WHEREAS, certain CMUA members, including Northern California Power Agency ("NCPA") and Southern California Public Power Authority ("SCPPA") (individually referred to as a "Participant" and jointly as "Participants"), are engaged in the planning, development, and administration of energy efficiency programs; and

WHEREAS, Participants have a need for professional and technical services to identify potentially achievable cost-effective electricity efficiency savings and establish annual targets for energy efficiency savings and demand reduction for the next 10-year period to receive accurate information regarding the potential savings of different investments, as well as to forecast and report anticipated energy savings to state policymakers, stakeholders, and their customers; and

WHEREAS, Consultant is qualified and capable of providing consulting services, and will, among other things, utilize the Electric Resource Assessment Model ("ELRAM") to timely provide 10-year energy efficiency potential target goals for Participants;

NOW, THEREFORE, in consideration of the promises herein and for other good and valuable consideration, the parties agree as follows:

1. **Services to be Provided:** CMUA engages the Consultant to prepare and deliver an Energy Efficiency Potential Forecast for California Municipal Utilities Association Members ("Forecast") as described in: (i) Consultant's "Proposal for Energy Efficiency Potential Forecasting," dated February 29, 2016 which is attached hereto marked "Exhibit A" and is incorporated herein by this reference; (ii) Participants' "Updated CMUA Budget," dated April 27, 2016 which is attached hereto marked "Exhibit B" and incorporated herein by this reference, and additional materials Consultant has provided to CMUA in connection with Exhibits A and B (together, "Proposal"). Detailed procedures and practices to be followed while performing the Services defined within the Proposal, including completion acceptance, shall be as set forth in the Proposal or a work order issued thereunder. Consultant will perform the services at the direction of and on behalf of CMUA and Participants.

2. **Independent Contractor:** Consultant is an independent contractor and is not an employee of CMUA or the Participants. Consultant shall not be entitled to any benefits or rights, including, but not limited to, sick leave, vacation leave, holiday pay, worker's compensation or other insurance benefits. Consultant shall furnish the services in its own manner and method except as required by this Agreement. Consultant shall have no authority, express or implied, to act on behalf of or bind CMUA or the Participants in any capacity whatsoever as agents or otherwise.
3. **Standard of Care:** The Consultant will perform services under this Agreement with the degree of skill and diligence normally practiced in the same industry by consultants performing the same or similar services. Consultant shall comply with all Federal, State, County, City and other governing laws, rules and regulations as applicable to the performance of services under this Agreement including Participant business practices or other ordinances including, but not limited to, equal opportunity practices, living wage ordinances, applicable business licenses, taxpayer protection acts (limiting gifts or campaign contributions), and assignment of antitrust causes of action. Consultant is not required to perform the services during fixed hourly or daily times, nor at CMUA or Participant premises unless as provided in the Scope of Work. Consultant's time spent at CMUA, a Participant site or the sites of the Participants' members, or project location premises shall be subject to normal business hours and security requirements.
4. **Changes/Amendments:** This Agreement may not be changed except by written amendment signed by both Parties. Services not expressly set forth in this Agreement are excluded. If Consultant determines that changes should be made to the Project, the Consultant will promptly notify CMUA of such proposed changes in writing, including the effects on the schedule, level of effort and payment for such changes. Thereafter, Consultant and CMUA shall agree in writing on which changes, if any, shall be included in an amendment to the Project and both Parties shall sign the amendment. If Consultant is delayed in performing the services by any act of war, force majeure or other unforeseen and immitigable circumstance beyond its control, then Consultant shall not be considered to be in default of the performance of its obligations under this Agreement while such circumstance is in effect, provided that Consultant shall provide notice to CMUA of the existence of such event or circumstance within 3 days of its occurrence.
5. **Payment:** CMUA agrees to pay Consultant for services in accordance with the terms and schedule contained in the Proposal. Each invoice shall state the basis for the amount invoiced, including services completed, units and costs, and any work performed. CMUA shall pay properly invoiced amounts not more than thirty (30) days after delivery of an invoice. CMUA may properly withhold payment of any invoice for failure or delay of Navigant to complete tasks within the timeframe specified in Section 4 of Exhibit A ("Proposed Timeline") until such tasks or services are completed. The total cost shall not exceed three hundred and five thousand five hundred and fifty-five dollars (\$305,555) including all costs and reimbursable expenses.
6. **Taxes:** Any and all taxes imposed on Consultant's income, imposed or assessed by reason of this agreement or its performance, including but not limited to sales or use taxes, shall be paid by Consultant. Consultant shall be responsible for any taxes or penalties assessed by reason of any claims that Consultant is an employee of CMUA, and CMUA and Consultant specifically agree that Consultant is not an employee or agent of CMUA.



7. **Indemnity:** Consultant undertakes and agrees to defend, indemnify and hold harmless the CMUA and Participants, and their respective member agencies, as well as their respective officers, agents, representatives, employees, assigns and successors in interest from and against any and all third-party suits and causes of action, claims, charges, damages, demands, judgments, civil liens and penalties, or losses of any kind or nature whatsoever for death, bodily injury or personal injury to any person, including Consultant's employees and agents, or damage or destruction to any property of either party hereto, or third person in any manner directly arising by reason of negligent acts, errors, omissions or willful misconduct incident to the performance of this Agreement on the part of the Consultant, or the Consultant's officers, agents, employees, or subcontractors of any tier, except for the sole active negligence or willful misconduct of CMUA, its Board, officers, agents, representatives or employees.
8. **Limitation of Liability:** To the extent permitted by law, and except as provided in Section 9 of this Agreement the total liability of the Consultant to CMUA for any claims arising out of this Agreement, whether caused by negligence, errors, omissions, strict liability, breach of contract or contribution, or indemnity claims based on third party claims, shall be limited to direct damages and not exceed one hundred and fifty thousand dollars (\$150,000), provided however this limitation shall not apply in the event of gross negligence, willful misconduct, bad faith of the Consultant, or where occurrence is covered by insurance as provided in Section 9 below in which case the applicable limit pursuant to the insurance policy specified in Section 9 shall apply. In no event will Consultant or CMUA be liable for any indirect, consequential, punitive or special damages arising out of or related to this Agreement or the Services performed hereunder, whether in contract, tort (including negligence), strict liability or otherwise, even if such party has been advised of the possibility of such loss or damage.
9. **Insurance:** Consultant shall, at its own cost and expense, procure and maintain during the entire term of this Agreement, public liability insurance and property damage insurance (issued by an insurance company admitted in the State of California to issue such insurance) naming CMUA and the applicable Participant(s) as an additional insured against loss or liability caused by or connected with Consultant's use of an automobile in the performance of this Agreement for not less than: (a) \$100,000 for injury to or death to one person, or of not less than \$300,000 for injury to or death to two or more persons as a result of any one accident or incident; and (b) \$50,000 for damage to or destruction of any property of CMUA or others.

Additionally, Consultant shall, at its own cost and expense, produce and maintain during the entire term of this Agreement comprehensive general and professional liability insurance (issued by an insurance company admitted in the State of California to issue such insurance) naming CMUA and the applicable Participant(s) as an additional insured against loss or liability caused by or connected with Consultant's performance under this Agreement for not less than \$1,000,000 per occurrence, \$3,000,000 annual aggregate.

Additionally, Consultant shall, at its own cost and expense, secure and maintain during the entire term of this Agreement, a policy or workers' compensation insurance with statutory limits or provide a waiver certifying that no employees and/or volunteers subject to the Labor Code provisions will be used in the performance of services under this Agreement.

The insurance policy shall contain the following provisions:

“It is agreed that any insurance maintained by CMUA shall apply in excess of and not contribute with insurance provided by this policy.”

“CMUA, SCPPA, and NCPA, and their respective members, officers and employees are added as additional insureds with respect to the activities done pursuant to this agreement on behalf of the named insured.”

Consultant shall provide an endorsement such that this insurance shall not be cancelled, limited in scope or coverage or non-renewed until insured provides thirty (30) days written notice to:

Executive Director  
CMUA  
915 L Street, Suite 1460  
Sacramento, CA 95814  
FAX: 916.326.5810

10. **Term and Termination:** The term of this Agreement shall be for one (1) year from the date hereof, unless sooner terminated in accordance with this section, at which time, it shall either terminate or be extended for one (1) additional term of six (6) months subject, again, to earlier termination in accordance with this section. CMUA's determination to grant such an extension for an additional six (6) month term shall be at the sole discretion of the CMUA Executive Director and shall be carried forth through mutual execution, between CMUA and the Consultant of such an agreement. Notwithstanding anything to the contrary contained herein, CMUA may terminate this Agreement, with or without cause, upon thirty (30) days' written notice to the other Party. CMUA shall pay Consultant for all services rendered up to the date of termination plus reasonable expenses for winding down the services, so long as the final amount does not exceed the total cost provided in Section 5. Any payment, indemnity, and work product rights or obligations pursuant to Sections 5, 7, and 11, respectively, shall survive the termination of this Agreement.

11. **Use and Ownership of Work Products:**

- (a) **Work Product.** As used in this agreement, the term “Work Product” means any and all materials fixed in a tangible medium of expression, including software code, written procedures, written documents, abstracts and summaries thereof, or any portions or components of the foregoing created, written, developed, conceived, perfected or designed in connections with the Services provided under this Agreement. All Work Product may be used solely for CMUA's and the Participants' internal business purposes, and those of their respective members, and not for any other purposes without Consultant's prior written approval. Notwithstanding the foregoing, CMUA and Participants shall have the right to provide any copies or work product to the California Energy Commission if requested by others pursuant to the California Public Records Act or otherwise compelled by law. Consultant shall have no liability to any third parties in connection with any publication of any of its deliverables hereunder and such deliverables may contain Consultant's disclaimer to such effect.

(b) Upon payment in full to Consultant for the services, CMUA shall retain all rights, title and interest in and to the work product, including all intellectual property rights therein and any and all enhancements, improvements and derivative works thereof, and Consultant obtains no rights therein. Notwithstanding the foregoing, Consultant will retain sole and exclusive ownership of all rights, title and interest in Consultant's work papers, proprietary information, processes, methodologies, know-how and software, including such information as existed prior to the delivery of Consultant's Services and, to the extent such information is of general application, anything that Consultant may discover, create or develop during Consultant's provision of Services under this engagement ("Consultant Knowledge"). To the extent Consultant's reports or other documents delivered to CMUA contain Consultant Knowledge, Consultant grants CMUA and Participants a non-exclusive, non-assignable, royalty-free license to use it in connection with the subject of this engagement.

**12. Information Provided by Others:** CMUA and/or Participants shall provide to the Consultant in a timely manner any information indicated is needed to perform the services hereunder. Consultant may rely on the accuracy of information provided by CMUA and its representatives.

**13. Dispute Resolution:** Consultant and CMUA shall attempt to resolve conflicts or disputes under this Agreement in a fair and reasonable manner and agree that if resolution cannot be made to attempt to mediate the conflict by a professional mediator. Absent mediated resolution, the parties agree to submit any dispute to binding arbitration under the rules governing commercial arbitration as promulgated by the American Arbitration Association. Any arbitration shall be subject to the Federal Arbitration Act, and the locale of the arbitration shall be subject to the Federal Arbitration Act, and the locale of the arbitration shall be Northern California.

**14. Miscellaneous:**

- (a) This Agreement is binding upon and will inure to the benefit of the Parties and their respective successors and assigns. Neither Party may assign its rights or obligations hereunder without the prior written consent of the other Party; provided, however, that either Party may assign this Agreement to a successor of the Party's entire business relating to this Agreement.
- (b) If any provision of this Agreement is invalid or unenforceable, the remainder of this Agreement shall continue in full force and effect and the provision declared invalid or unenforceable shall continue in full force and shall continue as to other circumstances in accordance with, the laws of the State of California.
- (c) This Agreement is entered into in Sacramento County in the State of California and shall be governed by, and construed in accordance with, the laws of the State of California. In the event that any Party brings any action against another Party under this agreement, the Parties agree that such action shall be vested exclusively in the state courts of California in the County of Sacramento.
- (d) Each of SCPPA and NCPA shall be deemed to be third party beneficiaries of this Agreement. There are no other third party beneficiaries.

[SIGNATURE PAGE TO FOLLOW]

**15. Signature Clause:**

IN WITNESS WHEREOF, each signatory hereto represents that he or she has been properly authorized to execute and deliver this Agreement on behalf of the Party for which he or she signs.

**California Municipal Utilities Association**

By: \_\_\_\_\_

David Modisette  
Executive Director  
CMUA  
915 L Street, Suite 1460  
Sacramento, CA 95814  
916.326.5800 FAX: 916.326.5810

**Navigant Consulting, Inc.**

By: \_\_\_\_\_

Karin Corfee  
Managing Director, Energy  
Navigant Consulting, Inc.  
One Market Street, Suite 1200  
San Francisco, CA 94105

By: \_\_\_\_\_

Gary Cullen  
Director, Energy  
Navigant Consulting, Inc.  
1001 Officers Row  
Vancouver, WA 98661

Exhibit A

See Attached Navigant Response, Dated February 29, 2016

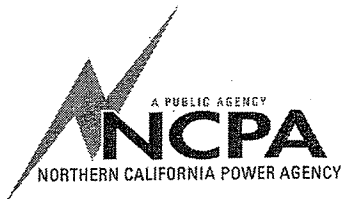
Exhibit B

See Attached Navigant's Updated CMUA Budget, Dated April 27, 2016

**Updated CMUA Budget  
April 27, 2016**

<b>Utility</b>	<b>Fixed Cost</b>	<b>Variable Cost</b>	<b>Total Cost</b>
Corona	\$4,018	\$1,403	\$5,421
Merced Irrigation District	\$4,018	\$4,253	\$8,271
Modesto Irrigation District	\$4,018	\$7,053	\$11,071
Moreno Valley Electric Utility	\$4,018	\$1,403	\$5,421
Needles	\$4,018	\$1,403	\$5,421
Pittsburg, City of	\$4,018	\$1,403	\$5,421
Rancho Cucamonga Municipal Utility	\$4,018	\$1,403	\$5,421
Sacramento Municipal Utility District	\$4,018	\$4,069	\$8,087
San Francisco Public Utilities Commission	\$4,018	\$4,253	\$8,271
Shasta Lake	\$4,018	\$1,403	\$5,421
Trinity Public Utilities District	\$4,018	\$1,403	\$5,421
Turlock Irrigation District	\$4,018	\$7,053	\$11,071
Alameda Municipal Power	\$4,018	\$4,253	\$8,271
Biggs	\$4,018	\$1,403	\$5,421
Gridley Electric Utility	\$4,018	\$1,403	\$5,421
Healdsburg, City of	\$4,018	\$1,403	\$5,421
Lodi Electric Utility	\$4,018	\$4,253	\$8,271
Lompoc, City of	\$4,018	\$1,403	\$5,421
Palo Alto, City of (includes gas model)	\$4,018	\$13,253	\$17,271
Plumas-Sierra Rural Electric Cooperative	\$4,018	\$1,403	\$5,421
Port of Oakland	\$4,018	\$4,253	\$8,271
Redding Electric Utility	\$4,018	\$4,253	\$8,271
Roseville Electric	\$4,018	\$7,053	\$11,071
Silicon Valley Power	\$4,018	\$7,053	\$11,071
Truckee Donner Public Utilities District	\$4,018	\$4,253	\$8,271
Ukiah, City of	\$4,018	\$1,403	\$5,421
Anaheim, City of	\$4,018	\$7,053	\$11,071
Azusa	\$4,018	\$4,253	\$8,271
Banning, City of	\$4,018	\$1,403	\$5,421
Burbank Water and Power	\$4,018	\$7,053	\$11,071
Colton Public Utilities	\$4,018	\$4,253	\$8,271
Glendale Water and Power	\$4,018	\$7,053	\$11,071
Imperial Irrigation District	\$4,018	\$7,053	\$11,071
Los Angeles Department of Water & Power	\$4,018	\$4,069	\$8,087
Pasadena Water and Power	\$4,018	\$7,053	\$11,071
Riverside, City of	\$4,018	\$7,053	\$11,071
Vernon, City of	\$4,018	\$7,053	\$11,071
<b>TOTAL</b>	<b>\$148,662</b>	<b>\$156,893</b>	<b>\$305,555</b>





#14

# Commission Staff Report

May 11, 2016

**COMMISSION MEETING DATE:** May 26, 2016

**SUBJECT:** Scheduling Coordination Program Agreement Appendix B – Approval of Appendix B Version 19

**AGENDA CATEGORY:** Consent

<b>FROM:</b>	Robert Caracristi <i>RWC</i>	<b>METHOD OF SELECTION:</b>
	Manager, Information Services and Power Settlements	N/A
<b>Division:</b>	Administrative Services	<i>If other, please describe:</i>
<b>Department:</b>	Information Services	

<b>IMPACTED MEMBERS:</b>					
All Members	<input type="checkbox"/>	City of Lodi	<input checked="" type="checkbox"/>	City of Ukiah	<input checked="" type="checkbox"/>
Alameda Municipal Power	<input checked="" type="checkbox"/>	City of Lompoc	<input checked="" type="checkbox"/>	Plumas-Sierra REC	<input checked="" type="checkbox"/>
Bay Area Rapid Transit	<input checked="" type="checkbox"/>	City of Palo Alto	<input checked="" type="checkbox"/>	Port of Oakland	<input checked="" type="checkbox"/>
City of Biggs	<input checked="" type="checkbox"/>	City of Redding	<input type="checkbox"/>	Truckee Donner PUD	<input type="checkbox"/>
City of Gridley	<input checked="" type="checkbox"/>	City of Roseville	<input checked="" type="checkbox"/>	Other	<input type="checkbox"/>
City of Healdsburg	<input checked="" type="checkbox"/>	City of Santa Clara	<input checked="" type="checkbox"/>		<input type="checkbox"/>
<i>If other, please specify.</i>					
<hr/>					
<hr/>					
Place an X in the box next to the applicable Member(s) above.					

**FISCAL IMPACT:**

No significant costs will be incurred to implement the changes to the SCPA Appendices and funds are available in the NCPA budget to support the work associated with these contract updates.

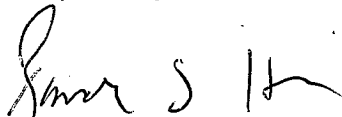
**ENVIRONMENTAL ANALYSIS:**

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

**COMMITTEE REVIEW:**

The recommendation was reviewed by the Facilities Committee on May 4, 2016 and was recommended for Commission approval.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Randy S. Howard", is written over the typed name.

RANDY S. HOWARD  
General Manager

Attachment:

- Resolution 16-38

## RECOMMENDATION:

Staff recommends approval of Resolution No. 16-38 implementing revised Scheduling Coordination Program Agreement (SCPA) Appendix B for the processing of CAISO daily and monthly settlements in accordance with the terms of the Appendix B.

## BACKGROUND:

This staff report recommends that the NCPA Commission adopt a revised Version 19 of Appendix B to the Scheduling Coordination Program Agreement (SCPA) to incorporate changes to settlements charge codes related to the CAISO's (California Independent System Operator) implementation of its new Resource Adequacy Availability Incentive Mechanism (RAAIM) in addition to minor documentation edits to several existing settlement charge codes.

Previous staff reports to the Commission summarized the historical background and development of Appendix B as follows:

*When PG&E filed with FERC to terminate the PG&E/NCPA Interconnection Agreement in 2001, NCPA members developed a SCPA to provide scheduling coordination services under CAISO transmission protocols and the Silicon Valley Power, City of Roseville, and NCPA MSS Agreements. During August 2002, the Commission approved the SCPA between and among participating NCPA members. At the time of initial approval, staff anticipated that revisions to the SCPA appendices would occur due to the volatility of the CAISO tariff, the state of regulatory flux, and the changing physical circumstances of the Agency's electrical interconnections. Staff informed the Commission that: "SCPA Appendices detail certain mechanics, which may be revised from time to time by Commission vote."*

Such predictions have held true and more than 25 amendments have occurred over time to the SCPA Appendices.

The proposed updates to Appendix B are quite detailed and technical in nature as summarized in the table below. A clean and redline version of both Appendix B are each available for review on the NCPA website ([www.ncpa.com](http://www.ncpa.com))<sup>1</sup>.

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<sup>1</sup> To access on the NCPA public website, select "Public Meetings" section on the menu bar, and then select "Facilities Committee" meeting. Refer to Item 9 of the May 4, 2016 Facilities Committee meeting packet.

## Appendix B to the SCPA Change Summary Table

Appendix B Section	Change Action	Description
Charge Code 8830 for RAAIM Non-Availability Charges (Page 171 of redlined version of Appendix B)	Implement new Resource Adequacy Availability Incentive Mechanism (RAAIM) settlement charge code 8830 to account for unavailability charges to NCPA by the CAISO for applicable month and for each applicable RA resource.	<ul style="list-style-type: none"> <li>Allocate system Resource Adequacy non-availability charges to each applicable NCPA Energy Service Provider (ESP) and pool members proportionally based on the amount of capacity designated for Resource Adequacy.</li> <li>CC 8830 will be effective on trade date November 1, 2016 or when made effective by the CAISO.</li> </ul>
Charge Code 8831 for RAAIM Incentive Payment (Page 173 of redlined version of Appendix B)	Implement new Resource Adequacy Availability Incentive Mechanism (RAAIM) settlement charge code 8831 to account for incentive payments to NCPA by the CAISO for applicable month and for each applicable RA resource.	<ul style="list-style-type: none"> <li>Allocate system Resource Adequacy incentive payments to each applicable NCPA Energy Service Provider (ESP) and pool member proportionally based on the amount of capacity designated for Resource Adequacy.</li> <li>CC 8831 will be effective on trade date November 1, 2016 or when made effective by the CAISO.</li> </ul>
Charge Code 8835 for RAAIM Neutrality Allocation (Page 175)	Implement new Resource Adequacy Availability Incentive Mechanism (RAAIM) settlement charge code 8835 to account for neutrality amounts to NCPA by the CAISO for annual allocation.	<ul style="list-style-type: none"> <li>Allocate system Resource Adequacy neutrality amounts to each applicable NCPA Energy Service Provider (ESP) and pool member proportionally based each city's metered demand.</li> <li>CC 8831 will be effective on trade date November 1, 2016 or when made effective by the CAISO.</li> </ul>
Charge Code 6496 for Peak Reliability Coordinator (Page 103)	Implement new reliability charge code associated with NERC reliability assessed to NCPA by the CAISO.	<ul style="list-style-type: none"> <li>Allocate annual Peak Reliability Coordinator amounts to each applicable NCPA ESP and pool member proportionally based on each city's metered demand.</li> <li>This charge code applies for 2016 assessed annual charges based on calendar year 2014 metered demand, and will follow this pattern in future years, consistent with CAISO tariff and business practice manual.</li> </ul>

Charge Codes 7873, 7881, 7883, 8820, 8821, 8824, 8825, 8826, 8827	Retire existing settlement charge codes associated with Standard Capacity Product (SCP) due to new RAAIM implementation.	<ul style="list-style-type: none"> <li>Retire existing SCP charge codes, although they will be subject for use in future, recalculated settlement statements;</li> <li>SCP charge codes will be retired on 10/31/2016 or as determined by the CAISO.</li> </ul>
Charge Codes 1353, 6480, 6637, 6977  These charge code modifications are described on pages 131, 158, 84, 167, respectively, of the red-lined version of Appendix B.	Modification to existing charge codes: <ul style="list-style-type: none"> <li>Black Start Energy Allocation (Charge Code 1353),</li> <li>Exceptional Dispatch Tier 2 Excess Cost Neutrality Allocation (CC 6480),</li> <li>Tier 2 Bid Cost Recovery allocation</li> <li>Transmission Loss Obligation Charge</li> </ul>	For increased accuracy to align with the CAISO settlement allocation treatment, a number of settlement charge codes used to allocate amounts based on net measured demand have been modified to reduce Plumas-Sierra's amount associated with deliveries over its Marble tie line, which is categorized as a Transmission Ownership Right (TOR).  This change applies retroactively and prospectively.
Charge Codes 6594 and 6694  These charge codes are described on pages 62 and 67, respectively of the red-lined version of Appendix B.	Modify settlement charge codes 6594 for self-provision of regulation up capacity obligation and 6694 for self-provision of regulation down capacity obligation	For increased accuracy to align with the CAISO settlement amounts for regulation up and down demand obligation quantities, NCPA's estimates have been modified to reflect the CAISO Real-Time requirements rather than Day Ahead.  This change applies retroactively and prospectively.
Charge Code 6774  This is described on Page 162 of the red-lined Appendix B version.	Modify charge code 6774 (Real Time Congestion Offset allocation) to not subtract Grizzly energy from CLAP quantities.	Charge Code 6774 has been modified to eliminate subtraction of the net Grizzly resource energy quantities.  This change applies retroactively and prospectively.
Charge Code 4560  Described on page 118 of the red-lined version of Appendix B.	This is a document change only to CC 4560 (CAISO Grid Management Charge for Market Services)	Refinement to Appendix B documentation to distinguish NCPA settlement treatment for resources subject to metered sub-system versus resources operating under a participating generator agreement.
Charge Code 4561  Described on page 121 of the red-lined version of Appendix B.	This is a document change only to CC 4561 (CAISO Grid Management Charge for Operations)	Refinement to Appendix B documentation to correct the allocation basis to Pool Members based on respective energy flows for each city.

RESOLUTION 16-38

RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY  
SCHEDULING COORDINATION PROGRAM AGREEMENT –  
VERSION 19 APPENDIX B REVISION

(reference Staff Report #154:16)

WHEREAS, at its August 2002 meeting, the Commission approved a Scheduling Coordination Program Agreement (SCPA) between NCPA, Silicon Valley Power (SVP), Roseville, and NCPA Pool Participants to assure a proper California Independent System Operator (CAISO) cost allocation, and provide for schedule coordination services to SVP, Roseville and the NCPA Pool Participants under the latest ISO transmission arrangements; and

WHEREAS, the appendices of the SCPA contain the terms and conditions for allocating the numerous CAISO charges and credits to the members in an equitable manner, the scheduling details applicable to the agreement, and various other technical and administrative provisions; and

WHEREAS, as required from time to time the SCPA participants recommend revision and updates to the administrative and technical provisions contained in the SCPA Appendix B to accurately reflect the evolving terms and conditions related to services from the CAISO; and

WHEREAS, to ensure the accuracy of cost allocations it is necessary to make changes and updates to the estimate and allocation formulas in Appendix B as outlined in the Appendix B Change Summary Table of the Staff Report; 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 acting by and through the Parties to the NCPA Scheduling Coordination Program Agreement approves the updated Appendix B effective immediately as to the applicable operating dates identified in the Appendix B Change Summary Table of the Staff Report and authorizes NCPA staff under the direction of the NCPA General Manager to implement the provisions thereto.

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



#15

## Commission Staff Report

**DATE:** May 12, 2016

**COMMISSION MEETING DATE:** May 26, 2016

**SUBJECT:** Black & Veatch Corporation – Five Year Multi-Task Professional Services Agreement; Applicable to the following projects: All NCPA Facility Locations, Members, SCPPA, and SCPPA Members

**AGENDA CATEGORY:** Consent

<b>FROM:</b> Ken Speer <i>KS</i> Assistant General Manager	<b>METHOD OF SELECTION:</b>
<b>Division:</b> Generation Services	N/A
<b>Dept.:</b> CTs	

### 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 of Resolution 16-39 authorizing the General Manager or his designee to enter into a Multi-Task Professional Services Agreement with Black & Veatch Corporation with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$1,500,000 over five years for use at all facilities owned and/or operated by NCPA, its members, by the Southern California Public Power Authority ("SCPPA"), or by SCPPA members.

## **BACKGROUND:**

Various professional services are required from time to time related to project support and plant operations at all facilities owned and/or operated by NCPA, its members, by the Southern California Public Power Authority ("SCPPA"), or by SCPPA members. Black & Veatch Corporation is a provider of these services.

On December 3, 2015 the NCPA Commission approved an enabling agreement between NCPA and Black & Veatch Corporation for services to be provided at the NCPA Lodi Energy Center facility only. That agreement was executed as of December 11, 2015. If this proposed agreement with Black & Veatch Corporation for use at all facilities is approved and executed, the existing agreement dated December 11, 2015 for use at LEC only will be cancelled.

## **FISCAL IMPACT:**

Upon execution, the total cost of the agreement is not-to-exceed \$1,500,000 over five years to be used out of NCPA approved budgets as services are rendered. Purchase orders referencing the terms and conditions of the Agreement will be issued following NCPA procurement policies and procedures.

## **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 one other enabling agreement for similar services and seeks bids from as many qualified providers as possible. Bids are awarded to the lowest cost provider. NCPA will issue purchase orders based on cost and availability of the services needed at the time the service is required.

## **ENVIRONMENTAL ANALYSIS:**

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

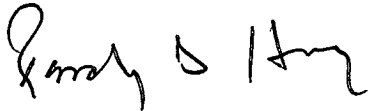


**COMMITTEE REVIEW:**

The recommendation above was reviewed by the Facilities Committee on May 4, 2016 and was recommended for Commission approval.

The recommendation above was reviewed by the Lodi Energy Center Participant Committee on May 9, 2016 and was approved.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Randy S. Howard", written in a cursive style.

RANDY S. HOWARD  
General Manager

Attachments (2):

- Resolution
- Multi-Task Professional Services Agreement with Black & Veatch Corporation

## RESOLUTION 16-39

### RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY APPROVING A MULTI-TASK PROFESSIONAL SERVICES AGREEMENT WITH BLACK & VEATCH CORPORATION

(reference Staff Report #155:16)

WHEREAS, various professional services are required from time to time related to project support and plant operations at all facilities owned and/or operated by the Northern California Power Agency (NCPA), its members, by the Southern California Public Power Authority (SCPPA), or by SCPPA members; and

WHEREAS, Black & Veatch Corporation is a provider of these services; and

WHEREAS, on May 9, 2016, the LEC Project Participant Committee approved the agreement with Black & Veatch Corporation in an amount not-to-exceed \$1,500,000 over five years; and

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

NOW, THEREFORE BE IT RESOLVED, that the Commission of the Northern California Power Agency authorizes the General Manager or his designee to enter into a Multi-Task Professional Services Agreement with Black & Veatch Corporation, with any non-substantial changes as approved by the NCPA General Counsel, which shall not exceed \$1,500,000 over five years for consulting services related to project support and plant operations 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  
BLACK & VEATCH CORPORATION**

This agreement for professional services (this "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 Black & Veatch Corporation, a corporation with its office located at 11401 Lamar, Overland Park, KS 66211 ("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 range of 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 in a Purchase Order or other written authorization.

- 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.

As used in this Section 1.2, "Warranty Period" means one (1) calendar year following completion of the Services, except that with regard to design, "Warranty Period" means one (1) calendar year following Substantial Completion of the related project; provided, however, that in no event will the Warranty Period extend beyond four years from Consultant's completion of the Services. "Substantial Completion" means the stage in which the progress of a project, or applicable portion thereof, is sufficiently complete such that the Agency can occupy or utilize the project or portion thereof for its intended purpose.

If, during the Warranty Period, it is shown there is an error in the Services caused solely by Consultant's failure to meet the standard of performance in this Section 1.2, and Agency has notified Consultant in writing of any such error within that period, Consultant shall re-perform, at no additional cost to Agency, such Services within the original scope of Services as may be necessary to remedy such error. Re-performed Services shall be warranted for an additional year, not to exceed four years from the completion of the original Services.

If the Services include a technical review of work performed by Agency's contractors or consultants, Consultant shall provide such technical review in order for Agency to have a greater degree of confidence that such work will conform generally to the contract documents between Agency and Agency's contractors or consultants. Agency's contractors and consultants shall remain solely responsible for the quality of the work that Consultant reviews, and Consultant's review shall not be deemed to be a warranty or guarantee from Consultant regarding the quality of the work reviewed. Agency agrees that its exclusive remedy for defective work by others that is reviewed by Consultant shall be from Agency's contractors and consultants who performed the work.

Consultant shall have no liability for defects in the Services attributable to Consultant's reliance upon or use of data, design criteria, drawings, specifications, or other information furnished by Agency or third parties not under contract to Consultant (collectively, "Third Party Information"); provided, however, that (1) this provision shall not excuse Consultant's failure to perform the Services to the standard of care in this Section 1.2, and (2) where the scope of services includes checking or verifying the accuracy of Third Party Information, this provision shall not excuse Consultant from performing such checking or verifying to the standard of care in this Section 1.2.

The obligations and representations contained in this Section 1.2 are Consultant's sole warranty and guarantee obligations and Agency's exclusive remedy in respect of quality of the Services. EXCEPT AS PROVIDED IN THIS ARTICLE, CONSULTANT MAKES NO OTHER WARRANTIES OR GUARANTEES, EXPRESS OR IMPLIED, RELATING TO CONSULTANT'S SERVICES AND CONSULTANT DISCLAIMS ANY IMPLIED WARRANTIES OR WARRANTIES IMPOSED BY LAW INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. This Section 1.2 governs, modifies, and supersedes any other terms in this Agreement which may be construed to address warranties or guarantees or the quality of the Services.

- 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 ("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 fourteen (14) days from the date of the Agency's issuance of the Purchase Order in which to respond in writing whether Consultant chooses to perform the Requested Services. If Consultant fails to respond within such time and agree to perform the Requested Services on the terms set forth in the Purchase Order, this Agreement, and its Exhibits, the Purchase Order is deemed rejected and Agency shall not be bound by the Purchase Order issued to Consultant.

**Section 2. COMPENSATION.** Agency hereby agrees to pay Consultant an amount **NOT TO EXCEED** ONE MILLION FIVE HUNDRED THOUSAND dollars (\$1,500,000) for the Services, which shall include all fees, costs, expenses and other reimbursables, as set forth in Consultant's fee schedule, attached hereto and incorporated herein as Exhibit B. This dollar amount is not a guarantee that Agency will pay that full amount to the Consultant, but is merely a limit of potential Agency expenditures under this Agreement.

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

- The beginning and ending dates of the billing period;
- Services performed;
- The Purchase Order number authorizing the Services;
- At Agency's option, the total number of hours of work performed under the Agreement by Consultant and each employee, agent, and subcontractor of Consultant performing services hereunder; and
- At Agency's option, when 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 one million dollars (\$1,000,000.00) per accident.

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

- 4.2.1 **Commercial General Insurance.** Consultant shall maintain commercial general liability insurance for the term of this Agreement, including products liability, covering any loss or liability, including the cost of defense of any action, for bodily injury, death, personal injury and broad form property damage which may arise out of the operations of Consultant. The policy shall provide a limit of \$1,000,000 per occurrence/\$2,000,000 aggregate. Commercial general coverage shall be at least as broad as ISO Commercial General Liability form CG 0001 (current edition) on "an occurrence" basis covering 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 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 of 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. Such insurance shall be on an "occurrence" basis, except that Consultant may maintain such insurance on a "claims-made" basis, subject to the following conditions: (1) the retroactive date of the policy shall be on or before the Effective Date of this Agreement; (2) the policy shall be maintained for at least five (5) years after completion of the Services and, if requested by Agency, evidence of coverage shall be provided during this period; and (3) if, within five (5) years of completion of the Services, coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the Effective Date of this Agreement, Consultant shall purchase "extended reporting" coverage for a minimum of five (5) years after completion of the Services.

**4.4 All Policies Requirements.**

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

**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 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 third party claims for bodily injury (including death) or property damage to the extent arising out of the negligence, recklessness or willful misconduct of the Consultant in its performance of Services under this Agreement. For the avoidance of doubt, claims of an employee of Agency or Consultant are deemed third party claims. 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 negligence or willful misconduct of the Agency.

For the avoidance of doubt, this Section 5.2 shall not affect direct claims or actions (including, but not limited to, claims for property damage) by Agency against Consultant.

- 5.3 **Limitation of Liability.** Having considered the risks and potential liabilities that may arise out of the Services, the benefits of the Services, and in specific consideration of the



promises contained in this Agreement and other valuable consideration, receipt of which is acknowledged, Agency and Consultant allocate and limit such liabilities in accordance with this Section 5.3. Notwithstanding any other provision of this Agreement, and to the fullest extent permitted by law:

In no event shall Consultant be liable to Agency for any loss of profits or revenue; loss of use; loss of opportunity; loss of goodwill; cost of substitute facilities, goods or services; cost of capital; cost of replacement power; governmental and regulatory sanctions (other than sanctions imposed on Consultant by governmental and regulatory agencies); and claims of customers for such damages; or for any special, consequential, incidental, indirect, punitive, or exemplary damages in any way arising from or related to the performance of this Agreement;

The total cumulative liability of Consultant and any entity owned by, owning, controlled by, controlling or under common control of Consultant to Agency for all claims, losses, damages, and expenses in any way arising from or related to the performance of this Agreement shall not be greater than Two Million Dollars (\$2,000,000).

Releases, waivers and limitations expressed in this Agreement concerning liability and remedies shall apply even in the event of the fault, tort (including negligence), strict liability, breach of contractor warranty, or other basis of liability of the Party released or whose liability is limited or against whom remedies have been limited and shall extend to the officers, directors, partners, employees, licensors, agents, subcontractors, vendors and related entities of such Party.

## **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 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 that Agency has paid for, or for which Agency pays pursuant to a final invoice;
  - 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 is required to deliver to Agency as a deliverable under this Agreement 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. Nothing contained in this Section shall be construed as limiting or depriving Consultant of its rights to use its basic knowledge and skills to design or carry out other projects or work for itself or others, whether or not such other projects or work are similar to the work to be performed pursuant to this Agreement.
- 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:

Black & Veatch Corporation  
Attention: Sean Kilgrow  
10995 Gold Center Dr. Suite 100  
Rancho Cordova, CA 95670

With copy to:

Black & Veatch Corporation  
Attention: Carlos Araoz  
10995 Gold Center Dr. Suite 100  
Rancho Cordova, CA 95670

Any written notice to Agency shall be sent to:

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

With a copy to:

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

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

negotiation between legal counsel. If the above process fails, the Parties shall resolve any remaining disputes through mediation to expedite the resolution of the dispute.

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

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

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

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

## **Section 11. SAFETY AND HAZARDOUS MATERIALS.**

**11.1 Safety and Environmental Regulations.** Consultant shall be responsible for the safety of its own employees at all times during the performance of any Services. Consultant's safety program shall include all requisite components required under Federal, state and local regulations, and shall comply with all Agency or project site programs, if applicable.



**11.1.1** Consultant shall not have control or charge of and shall not be responsible for: construction means, methods, techniques, sequences, or procedures of construction; the acts or omissions of Agency's contractors, vendors or suppliers; or the safety or environmental precautions and programs in connection with the work performed by Agency's contractors, vendors or suppliers; provided, however, that this Section 11.1.1 shall not apply where the Services specified in a Purchase Order specifically include these responsibilities.

**11.1.2** Consultant shall not be responsible for the adequacy or completeness of any other entity's safety or environmental programs, procedures, or precautions at the job site, and Consultant shall not have the authority to stop such other entity's work; provided, however, that this Section 11.1.2 shall not apply where the Services specified in a Purchase Order specifically include such responsibilities.

**11.2** **Pre-Existing Contamination.** "Hazardous Waste" means any toxic or radioactive substance so defined under applicable federal, state or local laws or regulations. "Pre-Existing Contamination" is any Hazardous Waste present at the job site that was not brought onto such site by Consultant or at the direction of Consultant. Notwithstanding anything in this Agreement to the contrary, title to, ownership of, and legal responsibility and liability for Pre-Existing Contamination shall at all times remain with Agency. Agency agrees to release, defend, indemnify, and hold Consultant harmless from and against any and all liability and claims, including attorneys' fees, that may in any manner arise in any way directly or indirectly from such Pre-Existing Contamination.

Agency shall, at Agency's sole expense and risk, arrange for handling, storage, transportation, treatment, and delivery for disposal of Pre-Existing Contamination. Agency shall be solely responsible for obtaining a disposal site for Pre-Existing Contamination. Agency shall look to the disposal facility and transporter for any responsibility or liability arising from improper disposal or transportation of Pre-Existing Contamination. Consultant shall not have or exert any control over Agency in Agency's obligations or responsibilities as a generator in the storage, transportation, treatment, or disposal of any Pre-Existing Contamination. Agency shall complete and execute any forms or certificates relating to regulated activities, including generation, storage, handling, treatment, transportation, or disposal of Pre-Existing Contamination. In the event that Consultant executes or completes any such forms or certificates, Consultant shall be, and be deemed to have acted as, Agency's agent.

SIGNATURES ON FOLLOWING PAGE

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

NORTHERN CALIFORNIA POWER AGENCY

BLACK & VEATCH CORPORATION

Date\_\_\_\_\_

Date\_\_\_\_\_

\_\_\_\_\_  
**RANDY S. HOWARD, General Manager**

\_\_\_\_\_  
**JON R. FEICKERT,**  
**Power Generation Services Director**

Attest:

\_\_\_\_\_  
Assistant Secretary of the Commission

Approved as to Form:

\_\_\_\_\_  
Assistant General Counsel

## **EXHIBIT A**

### **SCOPE OF SERVICES**

Black & Veatch Corporation ("Consultant") shall provide the Northern California Power Agency ("Agency") and, pursuant to Section 1.4 of the Agreement, Agency members, the Southern California Public Power Authority ("SCPPA"), and SCPPA members, with consulting services related to project support and plant operations as needed.

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

- Feasibility Studies
- Business Model Development
- Conceptual Design
- Cost Estimating
- Contract Planning
- Engineering Services (preliminary and detailed)
- Engineering Studies
- Execution Planning
- Operations and Maintenance Evaluation and Support
- Vendor Quality Assurance
- Construction Management
- Start-up and Commissioning Service
- Customer Information System Services
- Meter Data Management System Services
- Advanced Metering Infrastructure Services
- Smart Grid Solutions
- Technology Advisory Services
- Project Management Services
- Smart Grid Consulting Services

## 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 this Agreement. The hourly rates and or compensation break down and an estimated amount of expenses is as follows:

<b>HOURLY BILLING RATES (see Client Billings and Notes)</b>	
<b>Title/Description/Hourly Billing Rate (\$USD)</b>	
<b>Project Administration</b>	
Project accounting and office support including clerical, secretarial and billing.	
Project Administration	\$77.00
<b>Technicians and Technical Support</b>	
Technical designers, drafters, and other technical support functions.	
Associate Technician / Designer	\$89.00
Staff Technician / Designer	\$111.00
Lead Technician/Designer	\$140.00
Senior Technician/Designer	\$182.00
<b>Engineering and Management</b>	
Engineering design, analysis, and management. Includes departmental and project assignments including project management, executives and engineering department management.	
Associate Engineers	\$99.00
Staff Engineers	\$120.00
Design Engineers	\$141.00
Project Engineers	\$168.00
Senior Engineers	\$199.00
Engineering Managers	\$215.00
Project Managers	\$225.00
Senior Project Managers	\$253.00
Executives	\$276.00
<b>Estimating, Project Controls and Procurement</b>	
Professionals who assess the cost related to projects, track the cost associated with a project, and perform planning and scheduling functions related to projects. These professionals also provide procurement support activities.	
Staff Professional	\$118.00
Lead Professional	\$148.00
Senior Professional	\$230.00
<b>Specialized Staff</b>	
Specialist staff such as scientists, geologists, environmental consultants, lawyers, equipment or technology experts, and construction specialists.	
Associate Specialist	\$92.00
Specialist	\$118.00
Lead Specialist	\$164.00
Senior Specialist	\$220.00

Client Billings: Client shall pay to Engineer for the performance of the Services the sum of the following amounts unless the compensation is otherwise stated in the specific task assignment.
1. Labor cost will be billed as actual hours charged to this project by Black & Veatch personnel and in accordance with the rates above.
2. Typical and customary home office expenses, including computer related expenses (network server charges, PC usage charges, software and design application charges, printing, plotting, and server storage), reprographic services, document production, fax, telephone, postage/courier, etc. will be billed at a rate of \$8.00 per hour of direct billed labor.
3. Expenses for travel and lodging will be billed at actual cost. These expenses include cost such as air-fare, personal mileage, lodging, meals, motor vehicles rental, telephone, special rental equipment, etc.
4. Cost of 3rd party services and for non-customary office costs such as production printing will be billed at actual cost plus 10%.
5. Field assignments of longer than 60 days will be billed as actual hours charged to this project by Black & Veatch personnel in accordance with the rate sheet plus uplift as determined by current field services policy. Expenses for field assignments can be per diem, actual expenses, or a combination of both as specific to the assignment.
6. Overtime applies only to non-exempt personnel as defined by the US Federal Wage and Hour Law. Overtime will be billed as actual hours charged to this project by Black & Veatch personnel in accordance with the rate sheet plus 50%.
7. Any other professionals not specifically identified above will be placed in the most appropriate category above based on function and experience.

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.

The rates above are subject to one (1) annual adjustment upon thirty (30) days' prior written notice to Agency.

**EXHIBIT C**

**CERTIFICATION**

**Affidavit of Compliance for Consultants**

I, \_\_\_\_\_  
(Name of person signing affidavit)(Title)

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

**BLACK & VEATCH CORPORATION**

for contract work at LODI ENERGY CENTER, 12745 N. THORNTON ROAD, LODI CA 95242

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.

2645540.1



#16

# Commission Staff Report

**DATE:** May 12, 2016

**COMMISSION MEETING DATE:** May 26, 2016

**SUBJECT:** WEST Consultants, Inc. – Five Year Multi-Task Professional Services Agreement; Applicable to the following projects: All NCPA Facility Locations, Members, SCPPA, and SCPPA Members

**AGENDA CATEGORY:** Consent

<b>FROM:</b> Ken Speer <i>KS</i> Assistant General Manager	<b>METHOD OF SELECTION:</b>
<b>Division:</b> Generation Services	N/A
<b>Dept.:</b> Hydroelectric	

<b>IMPACTED MEMBERS:</b>		
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"/>
<p style="text-align: right;"><i>If other, please specify.</i></p> <hr/> <hr/>		
<p style="text-align: center;"><i>Place an X in the box next to the applicable Member(s) above.</i></p>		

## **RECOMMENDATION:**

Approval of Resolution 16-40 authorizing the General Manager or his designee to enter into a Multi-Task Professional Services Agreement with WEST Consultants, Inc. with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$1,000,000 over five years for use at all facilities owned and/or operated by NCPA, its members, by the Southern California Public Power Authority ("SCPPA"), or by SCPPA members.

## **BACKGROUND:**

Various professional and engineering services, such as hydrological flow modeling, are required from time to time related to project support and plant operations at facilities owned and/or operated by NCPA, its members, by the Southern California Public Power Authority ("SCPPA"), or by SCPPA members. WEST Consultants, Inc. is a provider of these services, and has previously provided these services to NCPA facilities.

## **FISCAL IMPACT:**

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

## **SELECTION PROCESS:**

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

## **ENVIRONMENTAL ANALYSIS:**

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

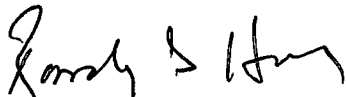
## **COMMITTEE REVIEW:**

The recommendation below was reviewed by the Facilities Committee on May 4, 2016 and was recommended for Commission approval.



The recommendation above was reviewed by the Lodi Energy Center Participant Committee on May 9, 2016 and was approved.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Randy S. Howard".

RANDY S. HOWARD  
General Manager

Attachments: (2):

- Resolution
- Multi-Task Professional Services Agreement with WEST Consultants, Inc.

## RESOLUTION 16-40

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

(reference Staff Report #156:16)

WHEREAS, Northern California Power Agency (NCPA) facilities require professional and engineering services such as hydrologic and hydraulic modeling and flow forecasting; and

WHEREAS, Member facilities may require similar engineering services; and

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

WHEREAS, on May 9, 2016, the LEC Project Participant Committee approved the agreement with WEST Consultants, Inc. in an amount not-to-exceed \$1,000,000 over five years; and

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

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 WEST Consultants, Inc., with any non-substantial changes as approved by the NCPA General Counsel, which shall not exceed \$1,000,000 over five years.

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 WEST CONSULTANTS, 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 WEST Consultants, Inc., a California corporation with its office located at 101 Parkshore Drive, Folsom, CA ("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** One Million dollars (\$1,000,000) for the Services, which shall include all fees, costs, expenses and other reimbursables, as set forth in Consultant's fee schedule, attached hereto and incorporated herein as Exhibit B. This dollar amount is not a guarantee that Agency will pay that full amount to the Consultant, but is merely a limit of potential Agency expenditures under this Agreement.

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

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

Invoices shall be sent to:

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

**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. Such insurance shall be on "an occurrence" basis, except that Consultant may maintain such insurance on a "claims-made" basis, subject to the following conditions: (1) the retroactive date of the policy shall be on or before the Effective Date of this Agreement; (2) the policy shall be maintained for at least five (5) years after completion of the Services and, if requested by Agency, evidence of coverage shall be provided during this period; and (3) if, within five (5) years of completion of the Services, coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the Effective Date of this Agreement, Consultant shall purchase "extended reporting" coverage for a minimum of five (5) years after completion of the Services.

**4.4 All Policies Requirements.**

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

David C. Curtis, Ph.D.  
Senior Vice President  
WEST Consultants, Inc.  
101 Parkshore Drive  
Folsom, CA 95630-4726

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

WEST CONSULTANTS, INC.

Date\_\_\_\_\_

Date\_\_\_\_\_

\_\_\_\_\_  
**Randy Howard, General Manager**

\_\_\_\_\_  
**David Curtis, Senior Vice President**

Attest:

\_\_\_\_\_  
Assistant Secretary of the Commission

Approved as to Form:

\_\_\_\_\_  
Assistant General Counsel

## **EXHIBIT A**

### **SCOPE OF SERVICES**

As requested by NCPA, WEST Consultants, Inc., ("Consultant") may perform consulting services for the Northern California Power Agency ("Agency"), Agency members, SCPPA or SCPPA members, as follows:

- Hydrological Modeling;
- Runoff flow forecasting;
- Development of water and/or power scheduling decision support tools;
- Regulatory Agency Interface; and
- Other Miscellaneous Engineering Consulting Tasks.

In accordance with Section 1.5 hereof, the specific scope of Work and associated fee will be defined by individual Purchase Orders.



## EXHIBIT B

### COMPENSATION SCHEDULE AND HOURLY FEES

Compensation for all 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:

<b>Position</b>	<b>2016 Rates</b>
Principal	263
Associate	259
Sr. Vice Presidents	257
Vice Presidents	233
Project Manager 3	213
Project Manager 2	194
Project Manager 1	172
Senior Engineer 2	152
Senior Engineer 1	134
Staff Engineer 2	120
Staff Engineer 1	106
Hydrologist/Scientist 5	162
Hydrologist/Scientist 4	135
Hydrologist/Scientist 3	109
Hydrologist/Scientist 2	87
Hydrologist/Scientist 1	69
Engineering Technician 3	118
Engineering Technician 2	95
Engineering Technician 1	72
Office/Field Assistant	71
Administrative Assistant 3	85
Administrative Assistant 2	74
Administrative Assistant 1	66

Actual Cost

#### **Travel and Per Diem**

\*Airline

\*Automobile Mileage .54/mile or current IRS rate

\*Per Diem as per FARS Regulations or Contract

\*Incidentals-receipts provided for expenses over \$25.00

All labor rates are doubled for time spent in deposition or trial for expert witness services

The hourly rates set forth above are valid from January 1, 2016 and may be subject to an annual escalation of up to 5% per year. Written notice of rate changes will be given to Agency in writing thirty days in advance.

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

**EXHIBIT C**

**CERTIFICATION**

**Affidavit of Compliance for Contractors**

I,

\_\_\_\_\_  
(Name of person signing affidavit)(Title)

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

\_\_\_\_\_  
(Company name)

for contract work at

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

(Project name and location)

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

\_\_\_\_\_  
(Signature of officer or agent)

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_.

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

## 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 \_\_\_\_\_, 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 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: \_\_\_\_\_



#17

# Commission Staff Report

**DATE:** May 12, 2016

**COMMISSION MEETING DATE:** May 26, 2016

**SUBJECT:** 2016 Geothermal Facility Operating Protocol – Steam Field Operations Forecast Report April 2016; Applicable to the following projects: Geothermal

**AGENDA CATEGORY:** Consent

**FROM:** Ken Speer (S)  
Assistant General Manager  
**Division:** Generation Services  
**Dept.** Geothermal

**METHOD OF SELECTION:**

N/A

## IMPACTED MEMBERS:

All Members	<input type="checkbox"/>
Alameda Municipal Power	<input checked="" type="checkbox"/>
Bay Area Rapid Transit	<input type="checkbox"/>
City of Biggs	<input checked="" type="checkbox"/>
City of Gridley	<input checked="" type="checkbox"/>
City of Healdsburg	<input checked="" type="checkbox"/>

City of Lodi	<input checked="" type="checkbox"/>
City of Lompoc	<input checked="" type="checkbox"/>
City of Palo Alto	<input type="checkbox"/>
City of Redding	<input type="checkbox"/>
City of Roseville	<input checked="" type="checkbox"/>
City of Santa Clara	<input checked="" type="checkbox"/>

City of Ukiah	<input checked="" type="checkbox"/>
Plumas-Sierra REC	<input checked="" type="checkbox"/>
Port of Oakland	<input type="checkbox"/>
Truckee Donner PUD	<input type="checkbox"/>
Other	<input type="checkbox"/>
	<input type="checkbox"/>

*If other, please specify.*

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

**RECOMMENDATION:**

Adopt Resolution 16-41 approving the 2016 Steam Field Operations Forecast Report dated April 2016 as the Geothermal Operating Protocol effective July 1, 2016. This Operating Protocol is to remain in effect until replaced by the Commission.

**BACKGROUND:**

The 2016 Steam Field Operations Forecast Report is an in depth study of The Geysers reservoir relative to the operation of NCPA's Geothermal facility and provides a generation forecast of the facility. This report will act as the Operating Protocol with the goal of maximizing the generation output.

The Operating Protocol currently uses a two zone strategy with wells on the west side of the NCPA lease producing to both Units #1 and #2 of Plant #1. Wells on the east side of the NCPA lease produce to Plant #2, Unit #4. This Protocol will maximize generation while allowing for scheduling flexibility and reduction of load under the proper economic conditions. The Protocol establishes a 2016 annual generation target of 100.3 MW gross.

**FISCAL IMPACT:**

The 2016-17 approved Geothermal budget covers the proposed action.

**SELECTION PROCESS:**

Not applicable.

**ENVIRONMENTAL ANALYSIS:**

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

**COMMITTEE REVIEW:**

The recommendation above was reviewed by the Facilities Committee on May 4, 2016 and was recommended for Commission approval

Respectfully submitted,



RANDY S. HOWARD  
General Manager

Attachments (2):

- Resolution
- Steam Field Operations Forecast Report – April 2016

## RESOLUTION 16-41

### RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY APPROVING THE 2016 STEAM FIELD OPERATIONS FORECAST REPORT AS THE 2016 GEOTHERMAL OPERATING PROTOCOL

(Reference Staff Report #157:16)

WHEREAS, the Northern California Power Agency (NCPA) operates and maintains on behalf of the project owners a Geothermal Facility near Middletown, CA, consisting of two power plants with containment areas, and 80 steam production and injection wells connected by roads; and

WHEREAS, the 2016 Steam Field Operations Forecast Report is an in depth study of The Geysers reservoir relative to the operation of NCPA's GEO facility and provides a generation forecast of the facility. This report will act as the Operating Protocol with the goal of maximizing the generation output. The Operating Protocol currently uses a two zone strategy with wells on the west side of the NCPA lease producing to both Units #1 and #2 of Plant #1. Wells on the east side of the NCPA lease produce to Plant #2, Unit #4. This Protocol will maximize generation while allowing for scheduling flexibility and reduction of load under the proper economic conditions. The Protocol establishes a 2016 annual generation target of 100.3 MW gross; and

WHEREAS, 2016-17 approved budget covers the proposed action; and

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

NOW, THEREFORE BE IT RESOLVED that the Commission of the Northern California Power Agency approves the Steam Field Operations and Forecast Report dated April 2016 as the Geothermal Operating Protocol effective July 1, 2016, to remain in effect until replaced by the Commission.

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





# Steam Field Operations

## Forecast Report – April 2016



**NCPA**  
**Generation Services – Geothermal Facilities**  
***Steam Field Operations and Forecast Report***

**April 2016**  
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**NCPA**  
**Generation Services Business Unit**  
***Steam Field Operations and Forecast Report***

April 2016

**Introduction**

This report provides an update on the status of the NCPA Geothermal Project. There are three main sections:

- I. A review of steam field operations including annual production and injection volumes, the Geothermal Operating Plan, water injection program, and projects.
- II. A review of 2015 reservoir performance and generation.
- III. A 2016 generation forecast.

Analysis of geothermal reservoir during 2015 indicates a better than expected increase in steam production. The 2016 decline rate is projected to be about 1.9% versus last year's 2.3% projection. The average generating capacity for 2015 was 103.1 MW gross or 95.6 MW net. Gross generation for the year was 903.3 GWhrs with net generation of 837.4 GWhrs.

Water injection continues to be a major contributor to maintaining reservoir pressure and mitigating steam production decline rates. Due to statewide drought conditions, there was a reduction in flow from the Southeast Geysers Effluent Pipeline (SEGEF) project during the first four months of the 2015. The SEGEF water is a combination of wastewater and freshwater which is used to supplement injection at The Geysers. Under drought conditions, the freshwater component became unavailable from April 30, 2014 through May 1, 2015. Once restored, injection rates increased and water injection for 2015 was up 20% from 2014 and averaged 3,398 gpm.

The 2016 generation forecast projects the average generating levels to be 100.3 MW gross or 91.5 MW net for the year. The 2016 levels are reduced mainly because Plant #2 had a five week overhaul in April 2016 and will also have another two week outage this coming fall to tie-in the new Unit #4 main steam pipeline. It is calculated that the NCPA geothermal facilities will generate 882.8 GWhrs gross or 802.2 GWhrs net in 2016. The 25 year projected gross reserves are estimated to be 18,419 GWhrs or 16,609 GWhrs net.

In terms of fiscal year, the gross generation is estimated to be 869.4 GWhrs with net generation of 802.6 GWhrs in FY 2016. The respective gross and net generation projected for FY 2017 is 890.6 GWhrs and 812.5 GWhrs.

## **I. STEAM FIELD OPERATIONS**

### ***In This Section***

- ▶ Overview of Annual Production and Injection
- ▶ Geothermal Operating Plan
- ▶ Water Injection Program
- ▶ Steam field Projects

### **A. Overview of 2015 Production and Injection**

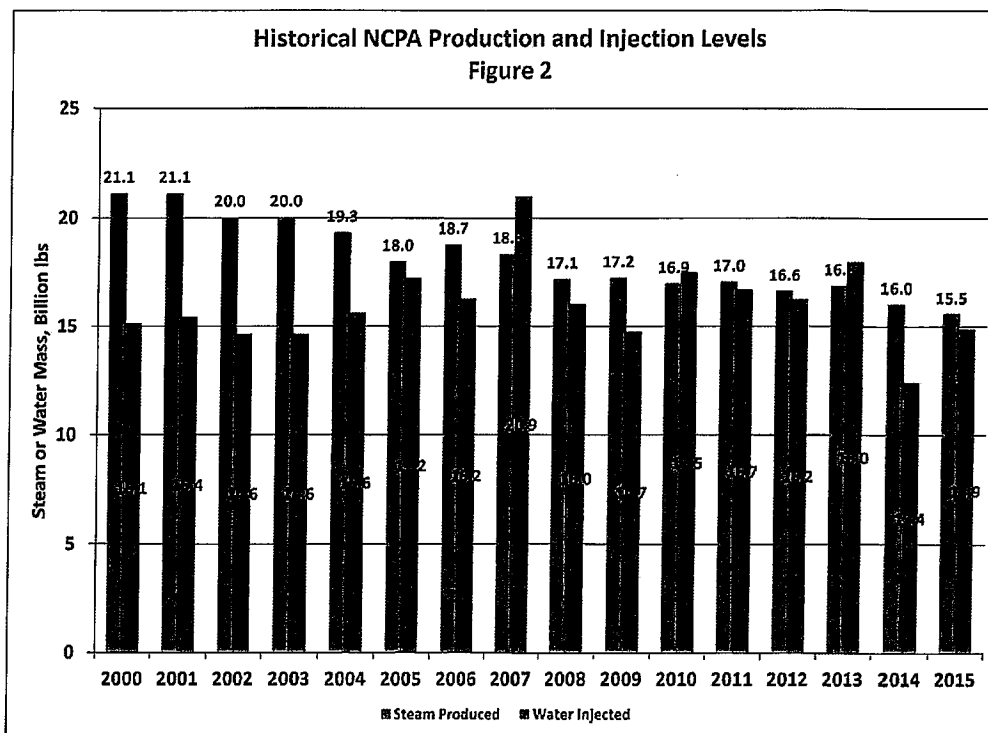
NCPA continued to operate the Geothermal Project as a base load facility in 2015. Steam production for the year was 15.5 Glbs with water injection of 14.9 Glbs for an annual mass replacement ratio of 96.1%. Water injection on the NCPA lease is a combination of steam condensate recovered from the cooling towers and wastewater from the Southeast Geysers Effluent Pipeline (SEGEP). In 2014, drought conditions resulted in lower lake levels in Clearlake which by agreement forced a reduction in the amount of wastewater being supplied to The Geysers. Increased rainfall and a higher lake level restored this component on May 1, 2015. As a result, the average injection rate increased approximately 20% from the previous year to 3,398 gpm.

The cumulative mass replacement ratio from plant startup in 1983 through 2015 was 63.4% (*Figure 1*). The net mass withdrawal of steam from the reservoir (Mass Produced less Mass Injected) through 2015 is 229.4 billion lbs.

The average annual generation for 2015 was 103.1 MW gross or 95.6 MW net. The average generation is down from 2015 because of continued steam field decline. In 2016, generation levels are projected to be 100.3 MW gross or 91.5 MW net.

#### ***Production Highlights during 2015 include:***

- ▶ Annual average gross generation in 2015 was 103.1 MW or 95.6 MW net.
- ▶ Average annual mass replacement (i.e., the percentage of steam production replaced by water injection) was 96.1% in 2015 compared to 77.5% for 2014. The 2015 average injection rate was 3,398 gpm which was about a 20% increase over the previous year. The increase was due to higher amounts of rainfall and easing of restrictions associated with the drought.
- ▶ In 2016, the average generation is projected to be 100.3 MW gross or 91.5 MW net.



## **B. Geothermal Operating Plan**

The Geothermal Project Operating Agreement requires the NCPA Commission to establish an Operating Plan and an annual operating level for the Geothermal Units. The purpose of the plan is to maximize the efficient use of the geothermal resource, protect the power plants and equipment, and meet all regulatory and permitting requirements.

A Geothermal Operating Plan, effective July 1, 2015, was approved and recommended by the Coordinated Operating Group (COG), the Generation Services Business Unit, and the NCPA Commission during the May 21, 2015 meeting. The Plan establishes an Operating Protocol that maintains a Two Zone operation within the NCPA lease. The Two Zone Operation was implemented to improve operational response time during a unit trip at Plant #1 and maximize generation on the NCPA lease while minimizing reservoir communication with nearby competitor operations.

Under the current Protocol, steam production from the west side of the lease, Zone 1, is directed to Units #1 and #2 at Plant #1. Steam production from the east side of the lease, Zone 2, is directed to Plant #2, Unit #4 (*Figure 5*). Combining zones is periodically tested to determine if the overall generation from both plants can be increased, but has generally resulted in a net loss of generation. The current Protocol effectively utilizes steam production, improves performance at the plants, and is in compliance with existing permits and regulations.

While the Protocol maximizes generation, it does allow for scheduling flexibility and reduction of load under the proper economic conditions. Sustained curtailments of Plants #1 and #2 are possible, but not recommended because recovery of the curtailed generation would take an extended number of years.

### **C. Water Injection Program**

NCPA continues to operate the steam field in the manner intended to maximize the recovery of injected water. In order to maximize recovery, it is important to have sufficient water and distribute it over the widest possible area of the field. It is also necessary to inject water at the lowest possible rate to maximize the heat transfer between the reservoir rock and water. Other factors that weigh into water injection strategy are targeting hotter zones of the field and higher gas concentrations within the reservoir. The water injection program discusses NCPA's supplemental water source, the Southeast Geysers Effluent Pipeline (SEGEP), current injection operations, micro-earthquake activity and non-condensable gas trends as a result of the injection.

#### **1. Southeast Geysers Effluent Pipeline (SEGEP)**

The Southeast Geysers Effluent Pipeline (SEGEP) project is a pipeline bringing water to The Geysers for the purpose of supplementing water injection in the field. During normal years, NCPA receives an average 2,700 gpm out of 5,600 gpm water that is delivered. Injection of this water into The Geysers reservoir helps mitigate reservoir pressure declines and increases steam reserves. *Figure 6* shows the historical SEGEP deliveries for NCPA and the total for the project.

Beginning May 1, 2014, SEGEP deliveries were sharply reduced due to drought conditions in California. This was due to the fact that SEGEP water is comprised of approximately 65% fresh water from Clear Lake and 35% secondary treated waste water from Lake County. By agreement with Lake County, if the lake level is below 3.5 ft on the Rumsey gauge on May 1, the fresh water component is not available for extraction for one year. This occurred in 2014 because of drought conditions and as a result, the project delivered only wastewater at a rate of 1,776 gpm that year.

Steam production and generation production were not impacted largely because the SEGEP pipeline has been in operation for over 18 years and past injection helped minimize the effects of reduced injection for one year. The water level in Clear Lake was above 4 ft in late April 2015, so SEGEP water deliveries returned to normal on May 1, 2015 and the average flow rate for 2015 was 2,865 gpm.

#### **2. Injection Operations**

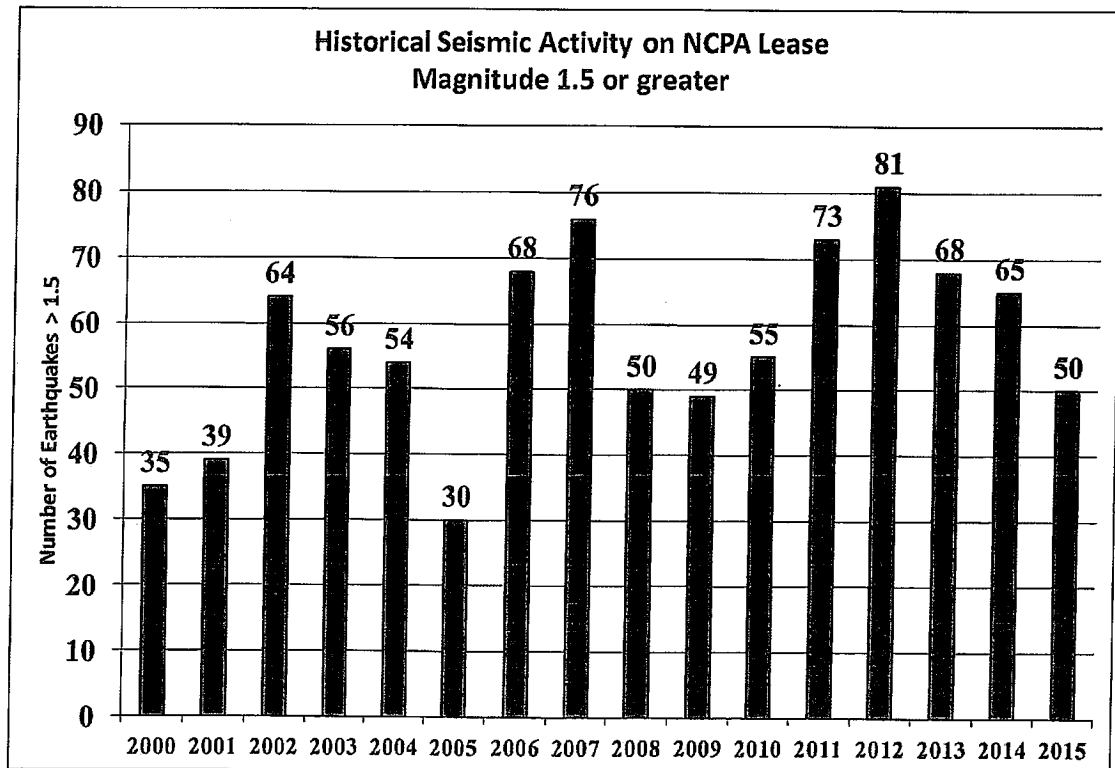
There were 14 different wells used for injection in 2015. The injection strategy continues to be an effort to spread water over large geographic area and limit injection rates down individual wells as much as possible. As part of this effort, the production wells, Q-4 and Q-7, were switched to injection wells on a temporary basis.

Figure 7 shows the relative location of the 14 injection wells on the NCPA lease. Eight of these wells, B-6, E-8, H-4, P-9, Q-1, Q-4, Q-7, and Q-10 were only connected to the SEGEP pipeline and therefore received only effluent or wastewater. One well, J-6, is a dedicated condensate injection well receiving water from Plant #2. The remaining five wells received a combination of condensate and wastewater. Figure 8 and Table 1 show the relative amounts and type of water each well received in 2015.

### **3. Micro-earthquake Activity**

Studies by the United States Geological Survey (USGS) and others have demonstrated that the steam production and water injection at The Geysers can cause frequent micro seismic events to occur. As a result, NCPA and the other operators are required to continuously monitor and report on the earthquakes that occur within The Geysers geothermal field. Figure 9 is a map showing the locations of the 757 seismic events of magnitude 1.5 and larger that occurred within The Geysers field during 2015. Seven of these events had an earthquake magnitude of 3.0 or greater. The largest seismic event was a magnitude 3.83 on a competitor lease.

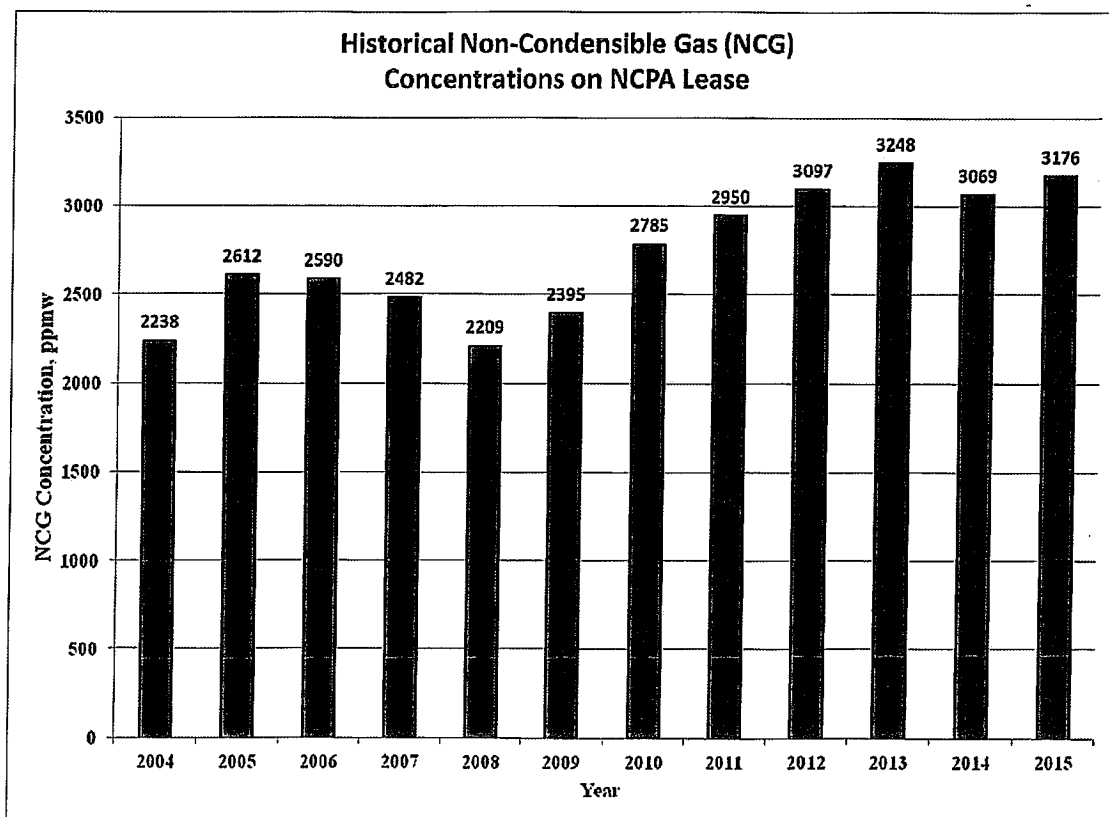
On the NCPA lease, there were 50 events of  $M=1.5$  or greater. The largest event was a magnitude of 2.99 and occurred near NCPA's southern lease line. The figure below shows the historical seismic activity for the NCPA lease from 2000 through 2015. The seismic activity for 2015 was lower than the activity in 2014.



#### 4. Non-condensable Gas (NCG) Trends

Non-Condensable Gas (NCG) is a natural product of the reservoir and may be present in varying concentrations within the steam that is produced at The Geysers. NCG production reduces plant efficiency and increases chemical treatment costs. The values vary significantly based on operating guidelines for the field, plant outages, or injection strategy. Water injection in areas of high gas concentration generally reduces NCG production and improves plant efficiency.

Table 4 shows an annual sampling of all the producing wells in the field and the analysis for NCG's. These values can vary somewhat based on daily operational changes and the adjustment of injection strategies within the field, but are considered to be 'typical concentrations' of NCG's for these wells. In spite of increased injection for the year, NCG concentrations were slightly up from the previous year. Figure 10 shows a comparison of the relative changes throughout the field.





#### **D. Geothermal Facility Projects**

Major projects completed in 2015 were:

- Geothermal Facility Road Repairs – The main road to the NCPA's Geothermal Plants #1 and #2 was repaired and re-striped. The project cost was \$361,715 and completed on July 10, 2015.
- Q-Site Condensate Tank Replacement – The Q-Site condensate tank was heavily corroded and subsequently replaced. The project cost was \$90,995 and it was completed on December 10, 2015.
- Plant #2 Yard Repair – A large 40 ft x 140 ft concrete pad was constructed in the Plant #2 yard to prevent asphalt damage from continued storage of phase separators and sulfur bins. Additional repairs to existing asphalt were also done. The project cost \$281,892 and was completed on November 13, 2015.
- 21 KV Line Repair – On September 12, 2015, the Valley Fire destroyed the 21 KV line which supplies power to the Southeast Geysers Effluent Pipeline (SEGEP). It also destroyed the fiber optic line which provides the controls and instrumentation for the SEGEP pipeline. Several member cities sent their utility crews to restore both the 21 KV and fiber optic lines. The SEGEP pipeline was operating within three weeks after the shutdown and allowed the Lake County Sanitation District to return to operation. The repairs cost approximately \$1,000,000.

In 2016, major projects that have been completed or will be initiated are:

- Ridge Road Guardrails – Following the Valley Fire, severe drop offs along Ridge Road developed due to the loss of trees. New guardrails were installed to improve safety along the road. The project cost was \$135,200 and was completed on January 29, 2016.
- Plant #1 Cooling Tower Fan Blade Replacement – The Plant #1 cooling tower fan blades became worn out after years of service. The blades were replaced in January 2016 at a project cost of \$145,475.
- Plant #1 and #2 Bridge Cranes – The bridge crane controls and motors for both Plants #1 and #2 have degraded with time and become unreliable. The controls and motors for Plant #2 were replaced in early 2016 in preparation for the Plant #2 overhaul. The controls and motors for the Plant #1 bridge crane are being replaced now. The total project cost is estimated at \$200,000.
- Plant #2 Fire Line Replacement – The Plant #2 fire line is currently undergoing replacement and is about 30% complete. The project was originally budgeted for \$300,000, but since it is being done with in-house labor, project costs should be significantly lower. Approximately \$31,000 has been spent on the project to date.
- Unit #4 Main Steam Pipeline – A new Unit #4 main steam pipeline is being constructed for the purposes of reducing pressure losses and a minimum gain of 1 MW

in generation is expected. Phase 1 of establishing a tie-in point for the new pipeline has recently been completed. Phase 2 will begin in May 2016 with the construction of the main body of the pipeline. Phase 3 will be done sometime in Fall 2016 where the new pipeline will be tied into the plant and the new pipeline becomes active. The project was approved for the bid amount of \$882,908 with additional contingency funds of \$67,092 (15% above bid amount). Total project costs are not expected to exceed \$950,000 with a project completion date of October 31, 2016.

- Knockout Pot Repair – Heat loss in the steam production pipelines causes some steam condensate or water to form in the lines. It is collected by knockout pots for reinjection back into the reservoir. Some of the knockout pots have collected significant debris and need to be repaired. Approximately 50 knockout pots have been checked, cleaned or modified. A project cost of \$146,000 was authorized for the repair or refurbishment of the knockout pots. Approximately \$67,000 has been spent to date. Completion of the project is expected in Fall 2016.
- Sedimentation Basin Repair – The concrete on the Sedimentation Basin needs to be repaired and re-coated to prevent any structural damage. Requests for bids were recently sent out and bid walks were conducted on April 14 and 18, 2016. The project was budgeted for \$300,000 and it should be completed by June 30, 2016.

## **II. 2015 RESERVOIR PERFORMANCE REVIEW**

### ***In This Section***

- ▶ Reservoir Pressure Distribution
- ▶ Reservoir Pressure and Flowrate Decline
- ▶ 2015 Generation Review
- ▶ 2016 Generation Forecast

Reservoir performance can be affected by a number of factors such as changes in the location or amount of water injected, the operating pressure of the field, gain or loss of production wells, or changes in the operation of nearby competitor leases. The effects of these changes on the reservoir are normally monitored by conducting pressure build-up tests on production wells, tracer tests on injection wells, and a continuous review of pressure, temperature, and flowrate data from the field. This section will discuss recent changes in reservoir pressure distribution, reservoir pressure decline, and steam field flowrate decline.

### **A. Reservoir Pressure Distribution**

One of the most important parameters in predicting and explaining reservoir performance is static reservoir pressure. *Figure 11* shows areal pressure distributions of static reservoir pressures for April 2015 and April 2016. In general, wells on the west side of the field have the lowest reservoir pressures (< 80 psig) and the east side of the field continues to be the higher pressure area. Comparing reservoir pressures over the last year shows that wells in the southeast area of the field have increased in pressure. In general, the area of lowest reservoir pressures (<80 psig), has more than doubled in size over the last seven years.

### **B. Reservoir Pressure and Flowrate Decline**

Changes in reservoir pressure over time are a function of the mass-replacement ratio. By injecting steam condensate and supplementing it with run-off fresh water and secondary treated waste water from the Southeast Geysers Project, the decline in reservoir pressures has moderated or slowed with time.

In 2015, 45 wells were shut-in at various times to conduct pressure build-up tests. The tests revealed that the average wellhead shut-in pressure was 84.3 psig or an average increase in wellhead pressure of 6.1 psig. This may be attributed to reduced injection earlier in the year and increased flashing of water to steam from higher reservoir temperatures. The average well on the NCPA lease flows 27,500 lb/hr at 43.1 psig.

The projected flowrate decline is shown in *Figure 13*. In 2015, the overall steam field flow rate averaged 1,833 klbs/hr. This flow rate is projected to be 1,792 klbs/hr in 2016. The projected overall steam field decline is a harmonic 1.9%. Continued and strategic injection of water over a wide area of the reservoir is expected to enhance recovery and provide better reservoir pressure support in future years.

### **C. 2015 Generation Review**

Gross generation for the NCPA Geo Facilities in 2015 was 903.3 GWhr with net generation of 837.4 GWhr. For FY 2016, gross generation is estimated to be 869.4 GWhrs with net generation of 802.6 GWhrs. The 2015 gross generation capacity was an average of 103.3 MW while net generation capacity averaged 95.6 MW.

### **D. 2016 Generation Forecast**

The updated forecast of future reservoir performance, and the resulting energy generation forecast for the NCPA geothermal plants, was developed using decline curve analysis in conjunction with a review of the 2015 computerized reservoir model projection. Included in the forecast are:

1. Operation of the steam field in a two zone operation.
2. Installation of new turbines in Units #1 and #2 in the spring and fall of 2013.
3. Although reduced in first four months of 2015, the continued benefits being derived from the Southeast Geysers Effluent Pipeline Project.

The most recently developed forecast of steam field operations is illustrated in *Figure 12*. This graph shows NCPA's 33 year historical data for both steam production and water injection, and forecasts of production and injection out to year 2040. With the startup of the Effluent Pipeline in September 1997, and with its continuous operation projected thereafter, it can be seen that the annual mass replacement is close to 100%. Starting around 2016, water injection will continually exceed production and a gradual decline in the level of steam production will approach a near-sustainable level of 80% of the mass of water injected.

The total amount of steam capable of being produced by NCPA through year 2040 is currently estimated at 323.5 billion pounds. Remaining gross generation reserves are estimated to be 18,419 GWhr with net reserves of 16,609 GWhr. *Figures 14 and 15* respectively show the projected net generation capacity and total net generation amount for 2016 through 2040. *Table 4* details the annual gross and net generation. A more detailed monthly five year forecast can be found in *Table 5*.

In 2016, it is estimated that the Geo Facilities will generate 882.8 GWhrs gross or 802.2 GWhrs net. Respective gross and net generation capacity levels for the year are projected to be 100.3 MW gross and 91.5 MW net. For, FY 2016, the respective gross and net generation amounts are projected to be 869.4 GWhrs and 802.6 GWhrs.

## **SUMMARY**

### **Steam Field Operations**

- The NCPA lease produced 15.5 Glbs steam while injecting 14.9 Glbs of water resulting in an average mass replacement of 96.1% for the year.
- The average gross generation capacity for 2015 was 103.1 MW gross while the net generation capacity was 95.6 MW net.
- The average water injection increased from 2,832 in 2014 to 3,398 gpm in 2015. This was mainly due to the restoration of wastewater from the Southeast Geysers Effluent Pipeline Project (SEGEP). Flows from the SEGEP Project were reduced in 2014 through the first four months of 2015 due to drought conditions. Flows from the pipeline were restored on May 1, 2015.
- Water recovery as Injection-Derived-Steam needs to be maintained to continue to benefit from the SEGEP Pipeline. The injection strategy going forward is to inject available water supplies over a greater area with the intent of maximizing its recovery over a shorter time period.

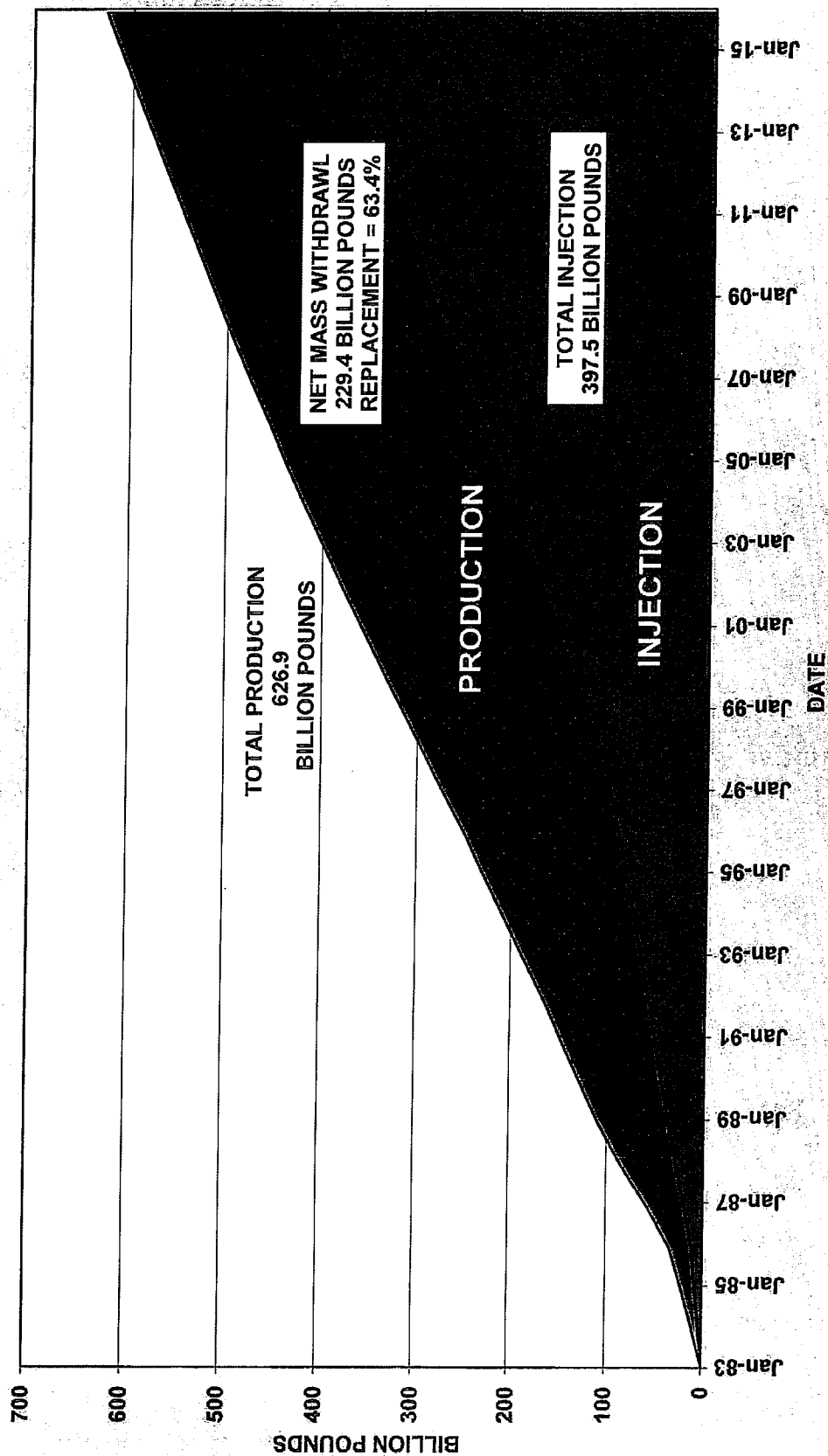
### **2015 Reservoir Performance Review**

- There was a slight recovery of reservoir pressures mainly in the eastern area of the field due to reduced injection. This is attributed to the reduced injection levels, increased reservoir temperatures, and water reserves from past injection boiling off at an increased rate.
- Average shut-in wellhead pressure for the NCPA lease was 84.3 psig. The average well produces 27.5 kph at 43.1 psig.
- The steam field deliverability was 1,833 klbs/hr in 2015. The projected 2016 deliverability is 1,792 klbs/hr. The projected harmonic decline rate going forward is 1.9%.

### **2015 Generation Review and 2016 Generation Forecast**

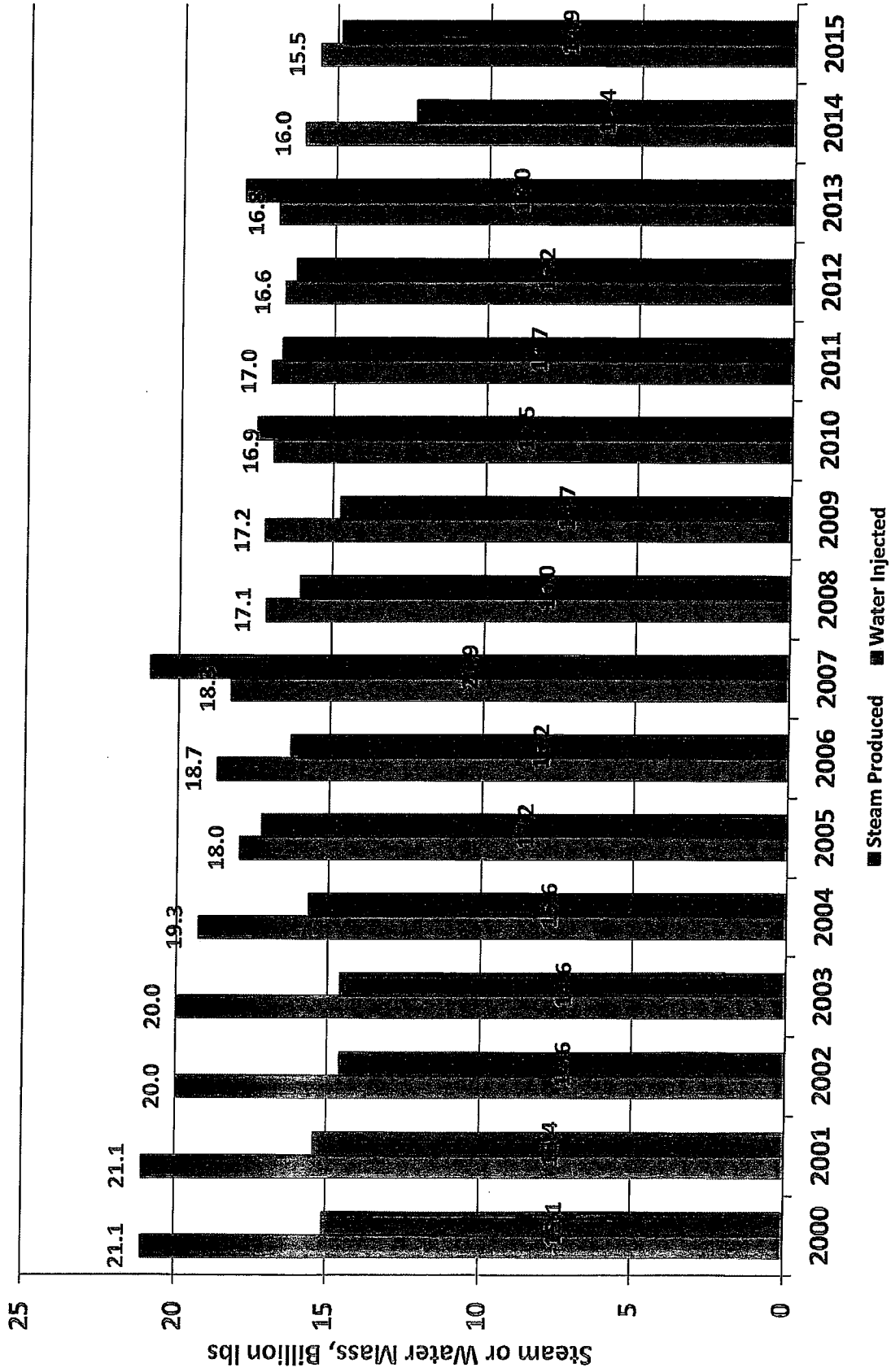
- Gross generation for 2015 was 903.3 GWhrs with net generation of 837.4 GWhrs. For FY 2016, gross generation is estimated to be 869.4 GWhrs with net generation of 802.6 GWhrs.
- The generation forecast covers the period from 2016-2040. Recoverable steam reserves are estimated at 323.5 billion pounds with the total amount of remaining gross generation estimated at 18,419 GWhr or net generation of 16,609 GWhr.
- The gross generation capacity for 2016 is projected to be 100.3 MW or 91.5 MW net. Gross generation for the year is projected to be 882.8 GWhrs or 802.2 GWhr net. For FY 2017, the respective gross and net generation amounts are projected to be 890.6 GWhrs and 812.5 GWhrs.

**FIGURE 1**  
**NCPA STEAMFIELD**  
**CUMULATIVE PRODUCTION AND INJECTION**

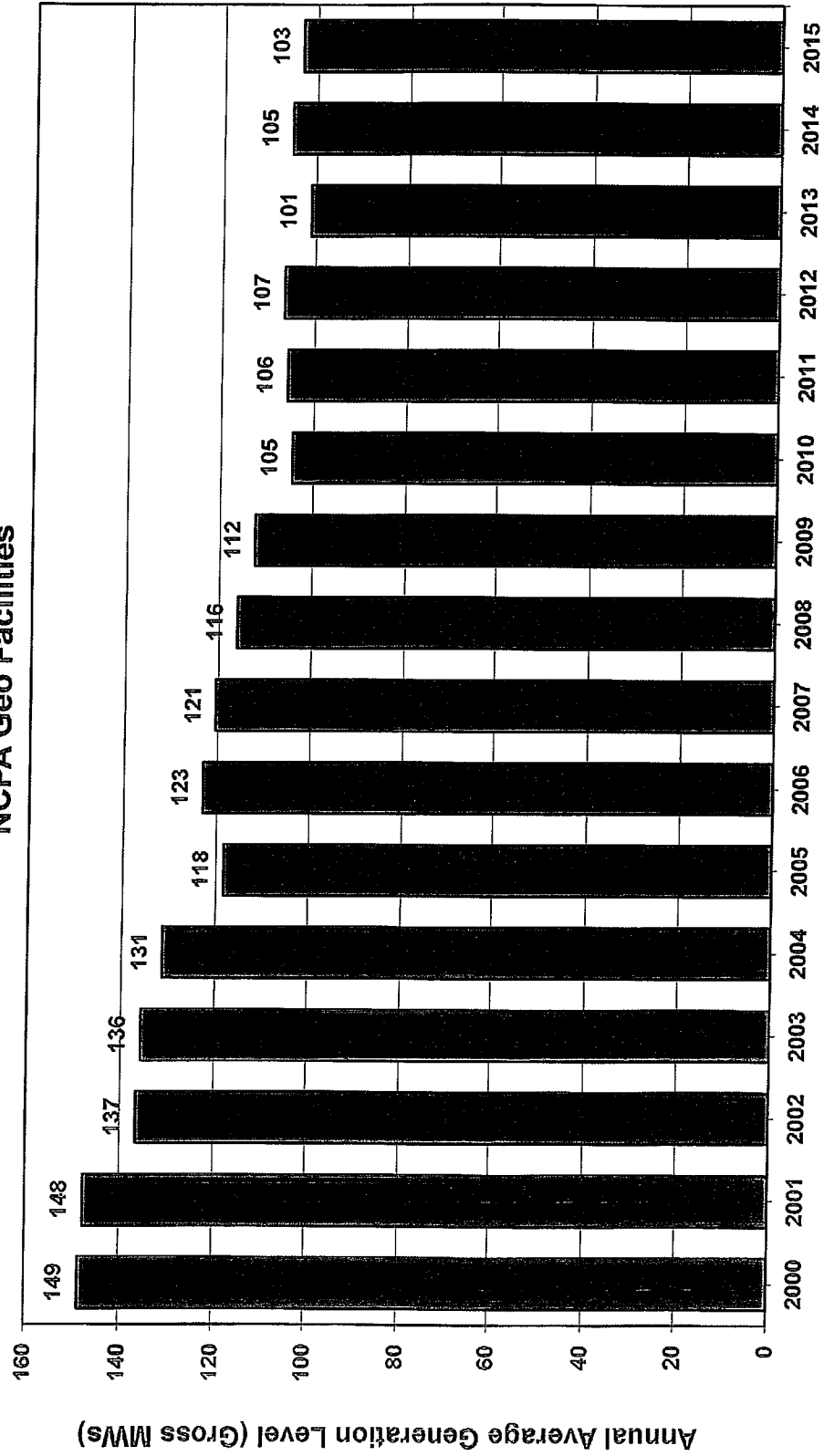


# Historical NCPA Production and Injection Levels

Figure 2



**Figure 3. Historical Power Generation Levels  
NCPA Geo Facilities**

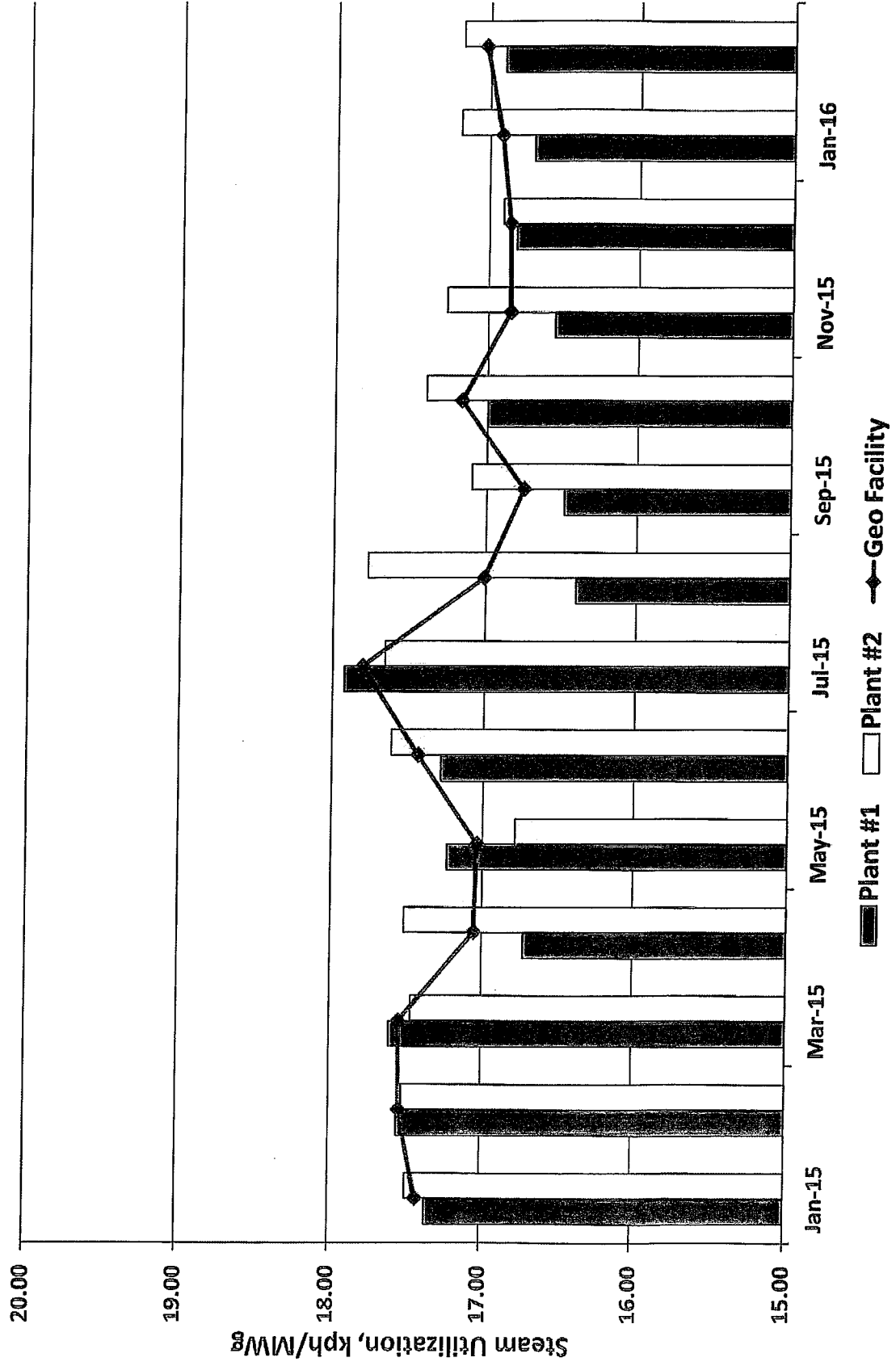


\*Generation levels include downtime for unit outages and overhauls

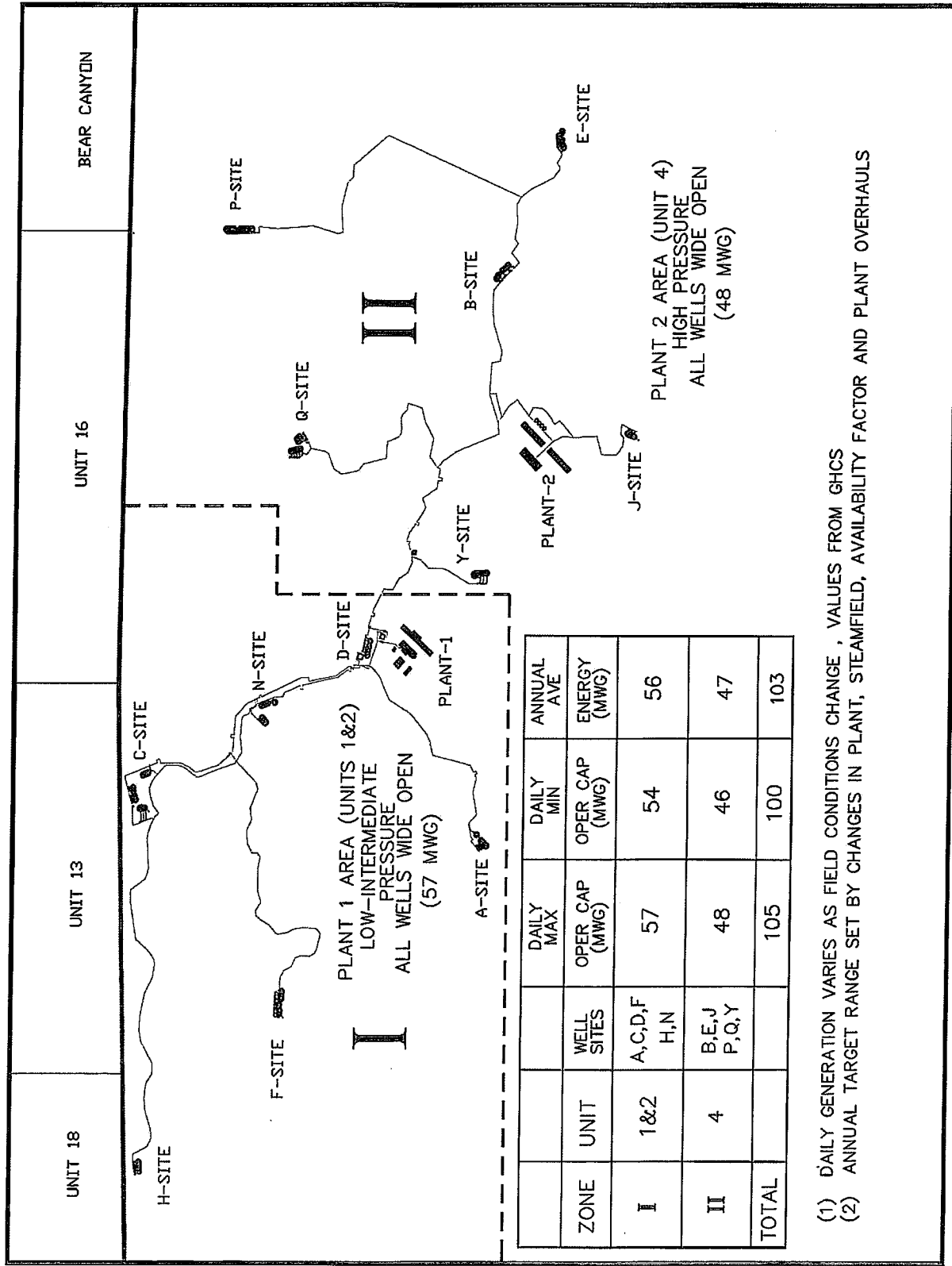


# 2015 Gross Steam Utilization

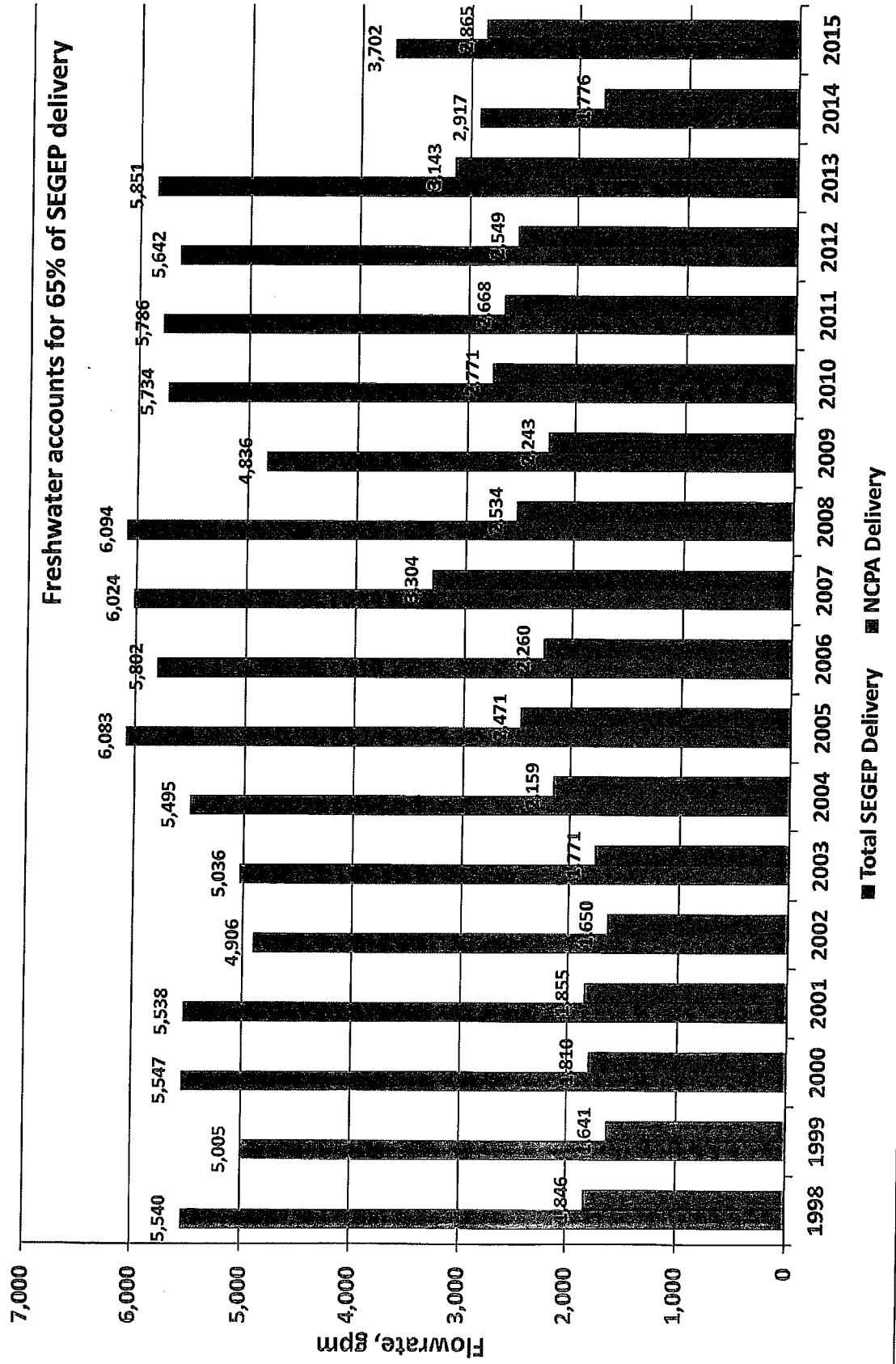
Figure 4



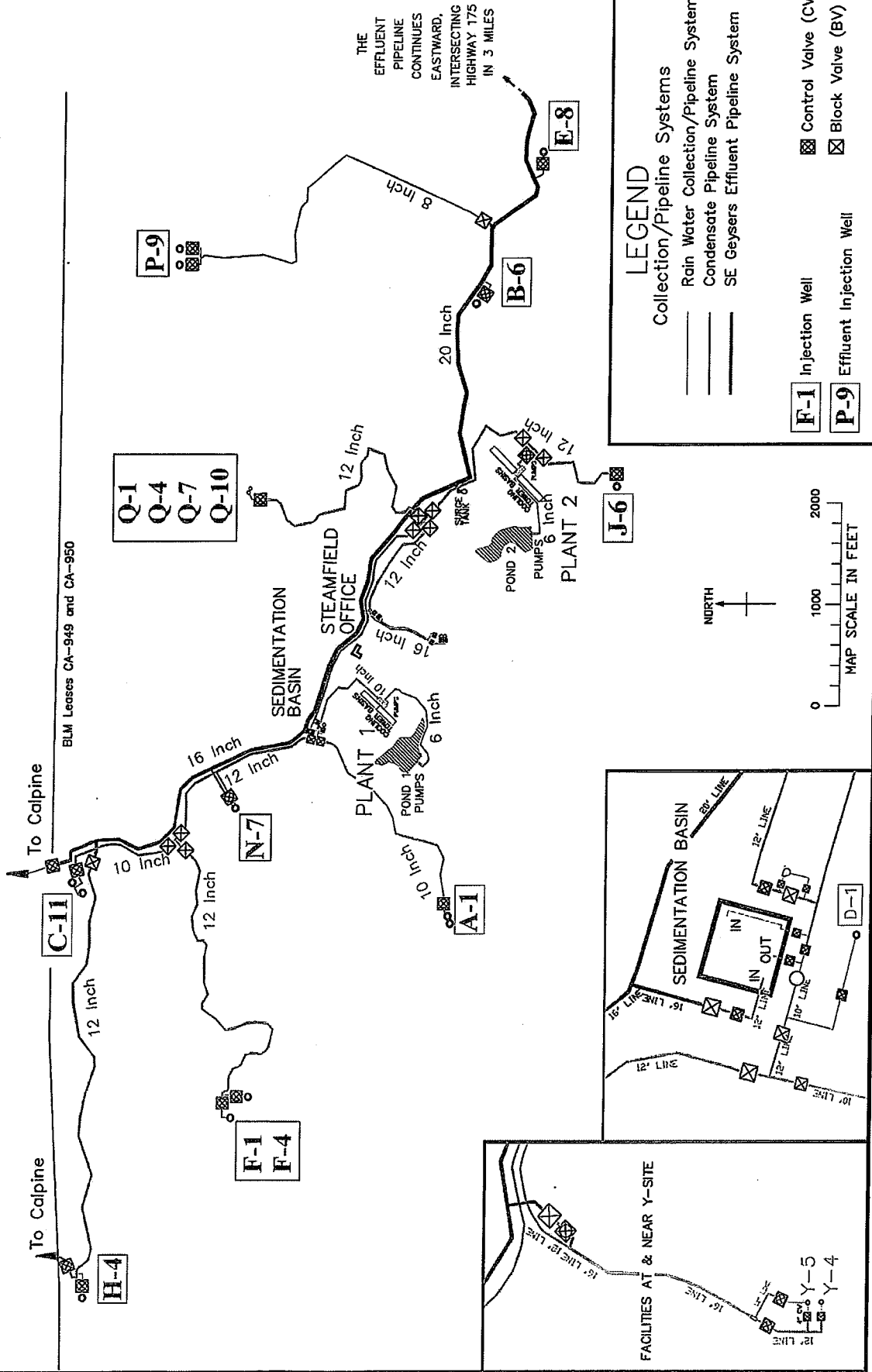
**Figure 5. GEOTHERMAL OPERATIONAL PLAN 2016**



**Figure 6. History of SEGEP Deliveries Total and NCPA  
(Annual Average GPM)**



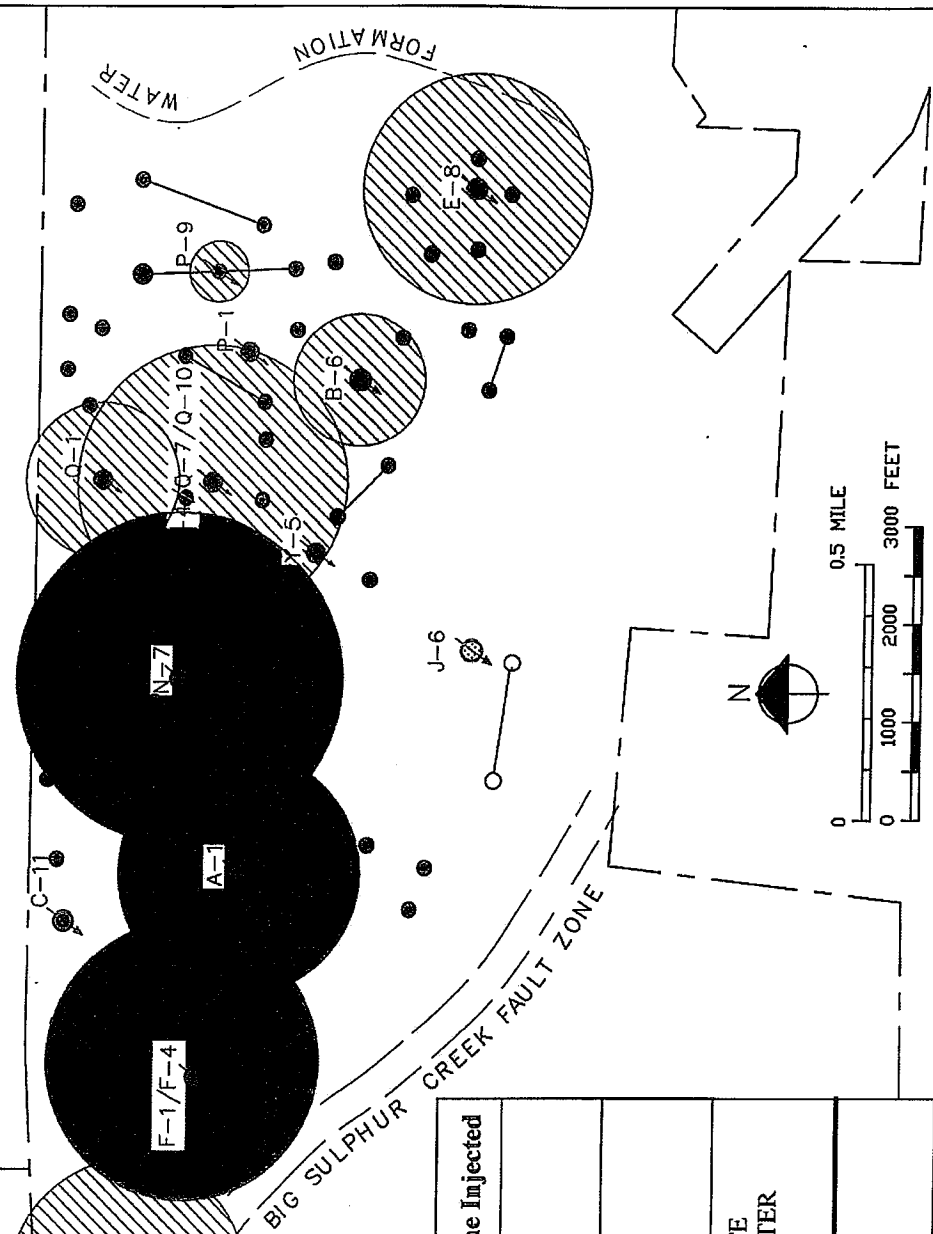
# FIGURE 7 MODIFIED PLAN OF INJECTION



**FIGURE 8**  
**NCPA STEAM FIELD**  
**RELATIVE DISTRIBUTION OF INJECTED WATERS**  
**DURING 2015**





CALPINE

CALPINE



**LEGEND**

Circle Area is Proportional to Volume Injected

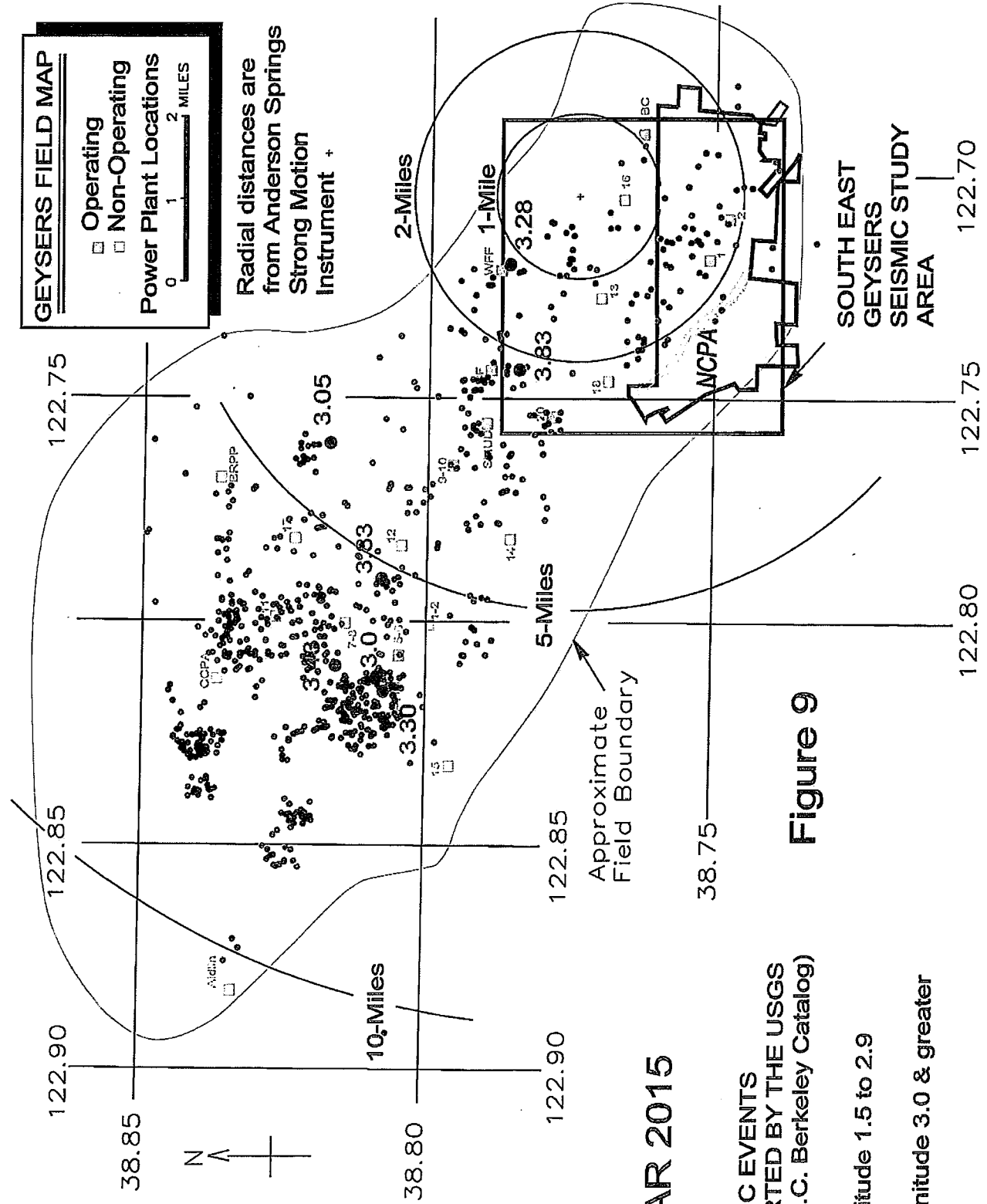
	CONDENSATE INJECTION WELL
	EFFLUENT INJECTION WELL
	MIXED CONDENSATE AND EFFLUENT WATER INJECTION WELL
	STEAM PRODUCTION WELL LOCATION

**GEYSERS FIELD MAP**

□ Operating  
 □ Non-Operating  
 Power Plant Locations

0 1 2 MILES

Radial distances are from Anderson Springs Strong Motion Instrument +



SOUTH EAST  
GEYSERS  
SEISMIC STUDY  
AREA

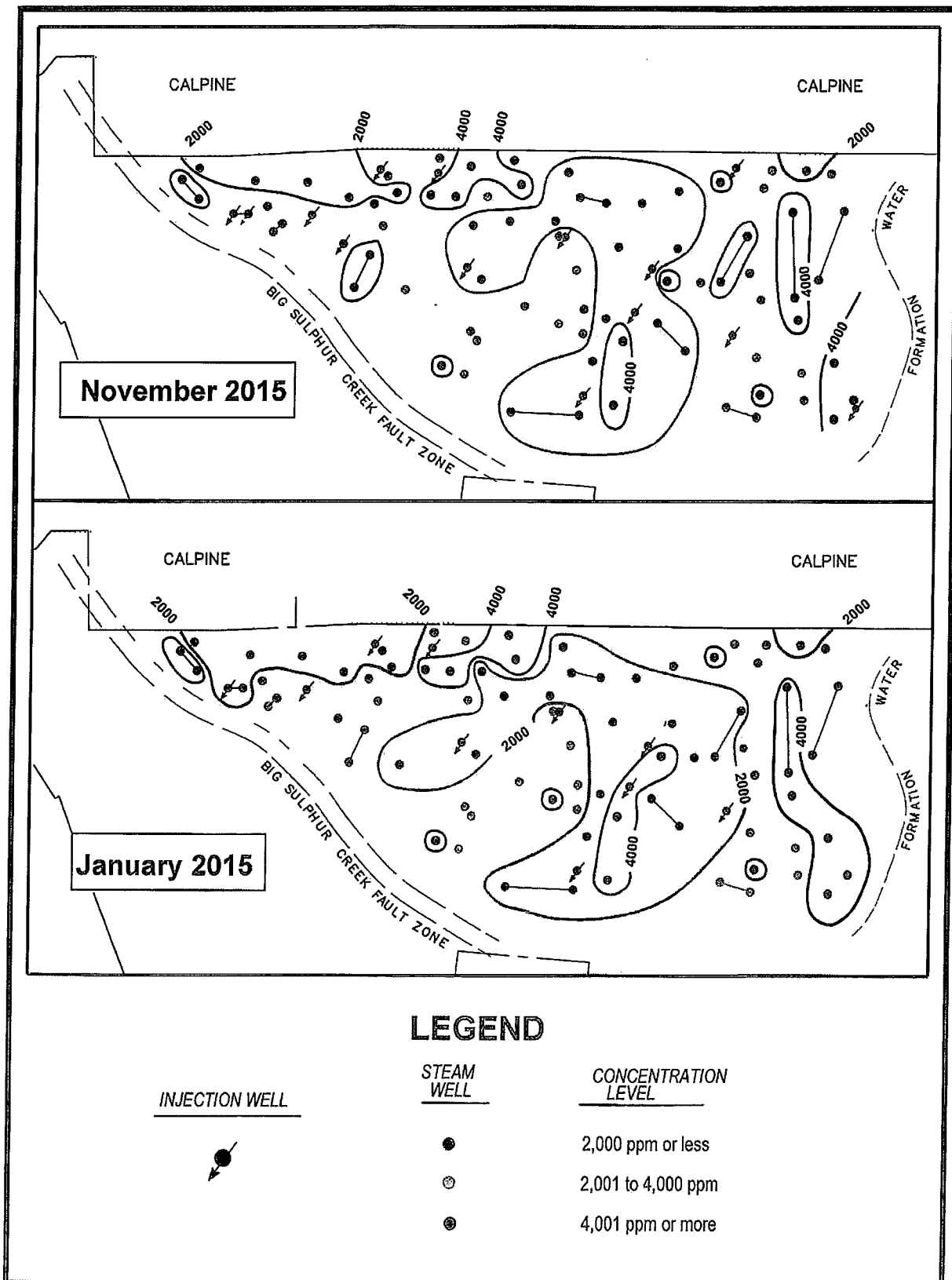
YEAR 2015

SEISMIC EVENTS  
REPORTED BY THE USGS  
(from U.C. Berkeley Catalog)

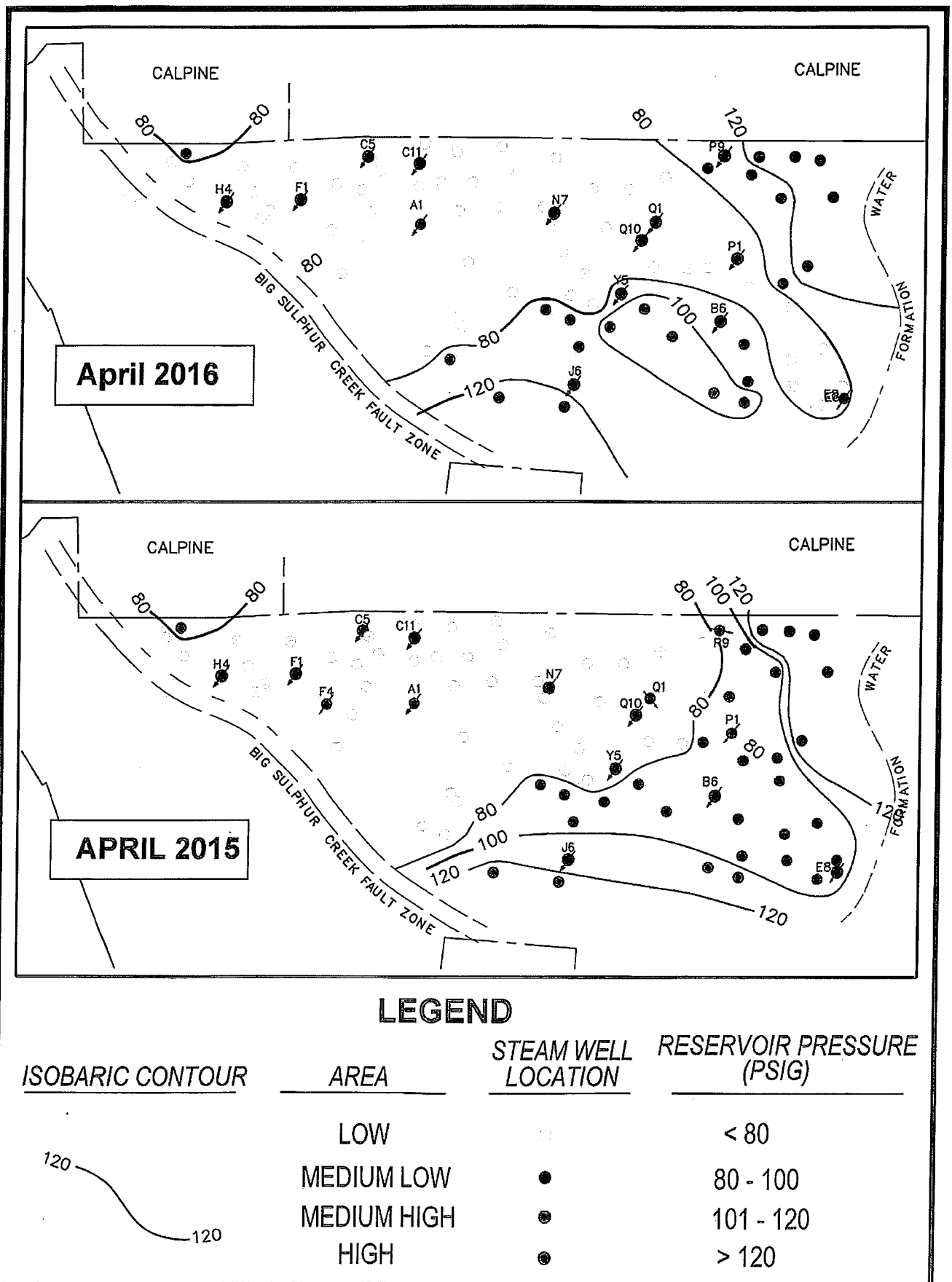
- Magnitude 1.5 to 2.9
- Magnitude 3.0 & greater

Figure 9

**FIGURE 10**  
**NONCONDENSABLE GAS CONCENTRATIONS**  
**IN NCPA STEAM (ppm)**



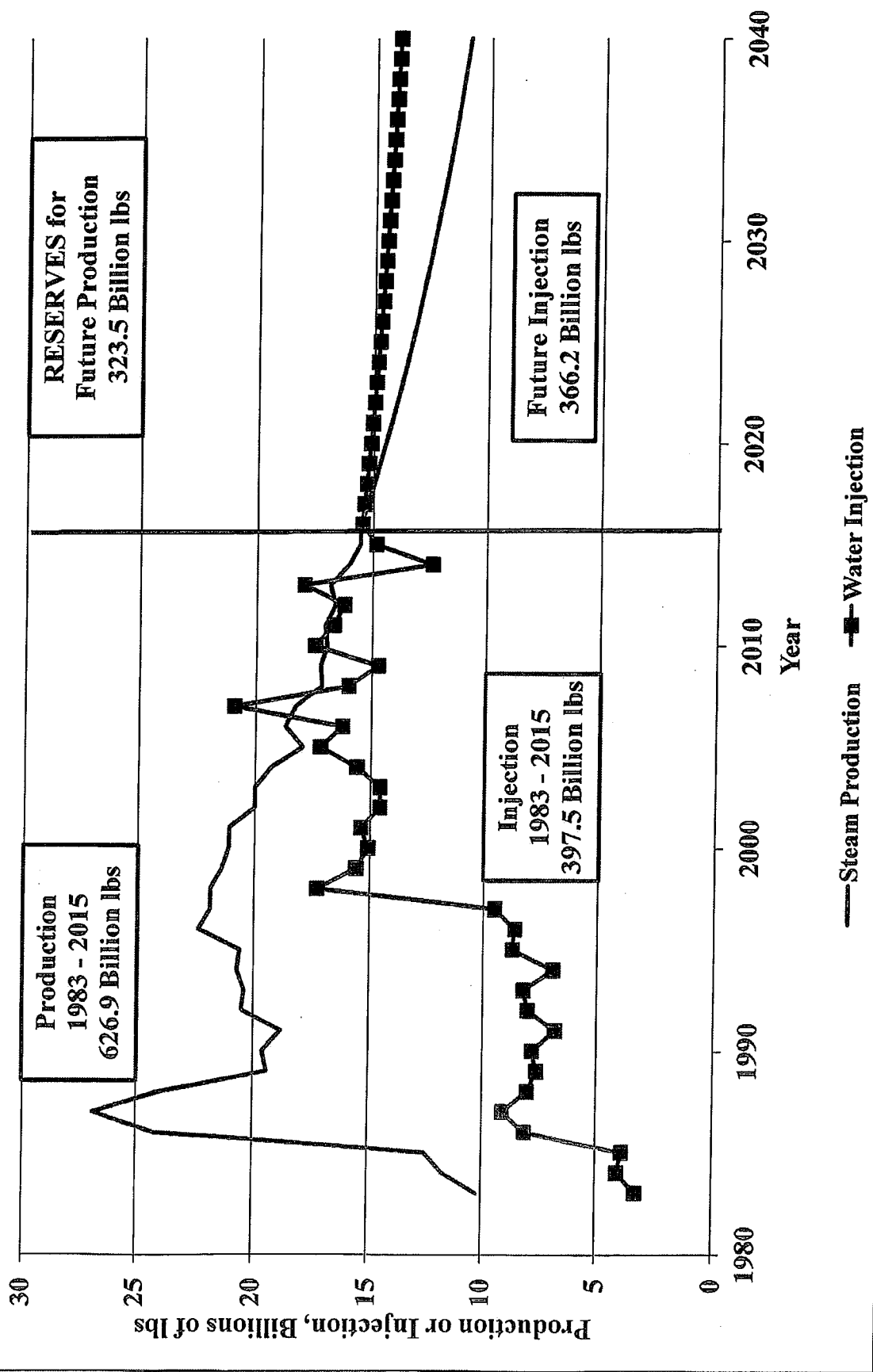
**FIGURE 11**  
**NCPA STEAM FIELD RESERVOIR PRESSURE**





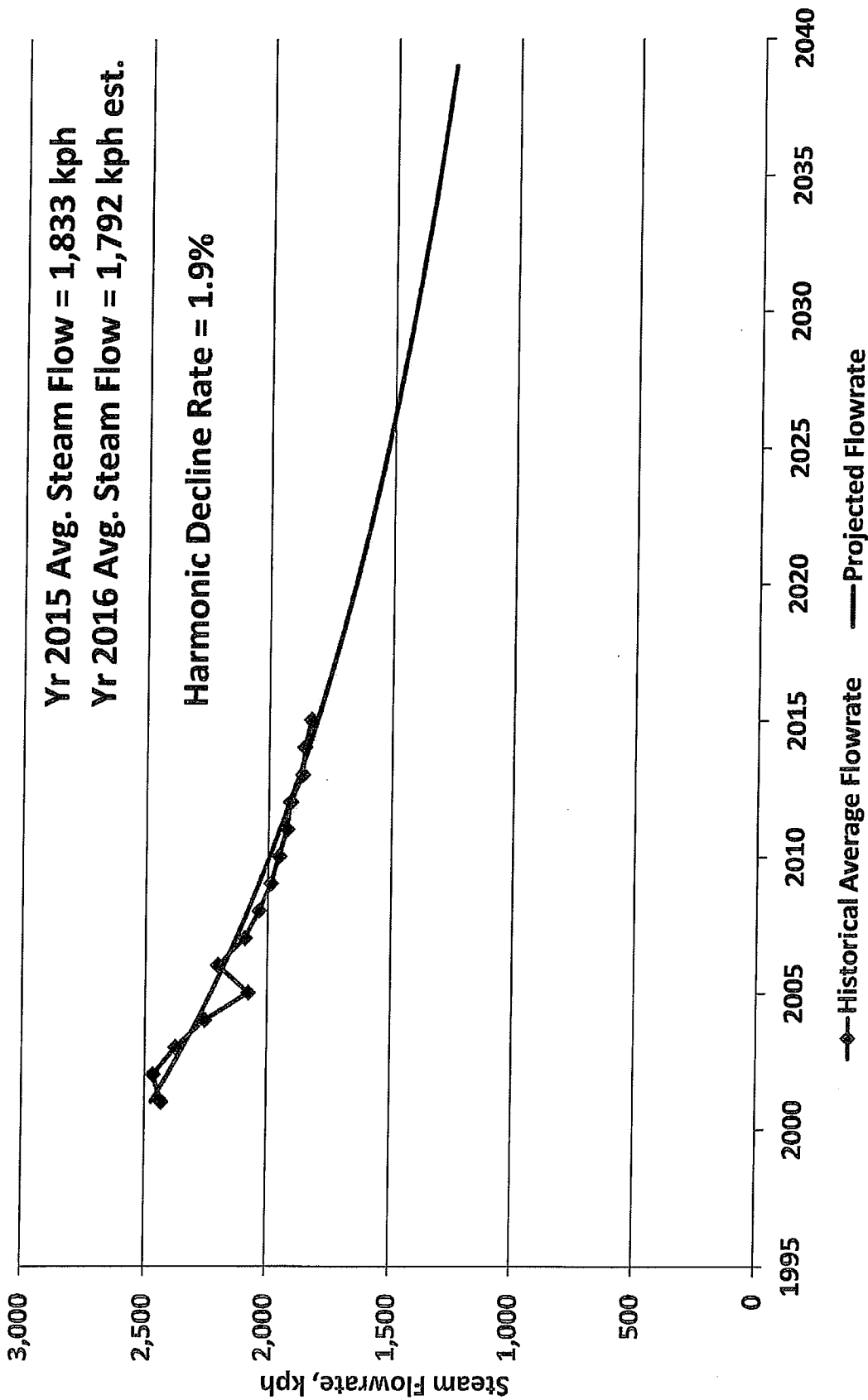
# Historical and Forecast Steam Production & Water Injection

Figure 12



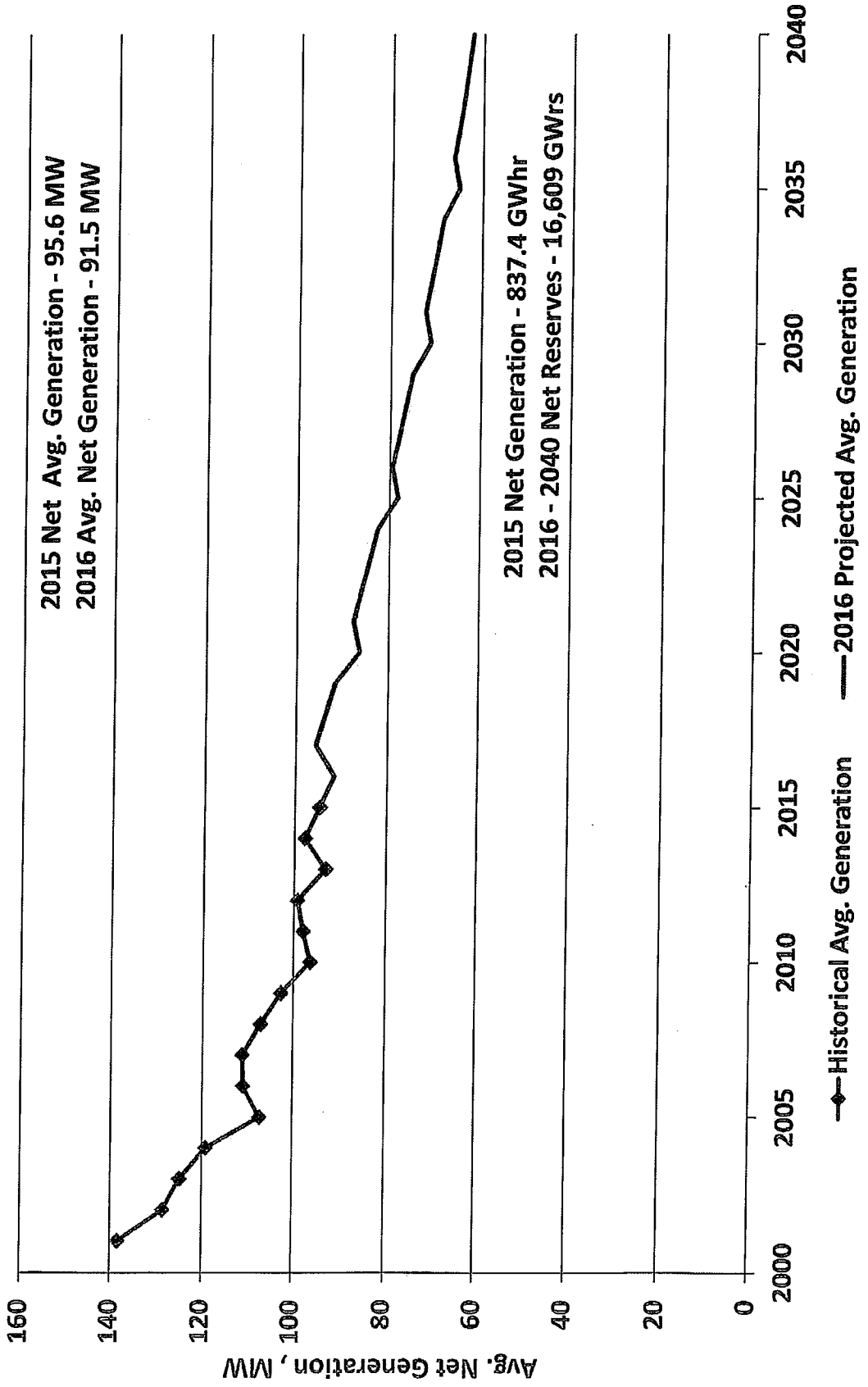
# Historical and Projected Steam Flowrates Combined NCPA Plant #1 & #2

Figure 13



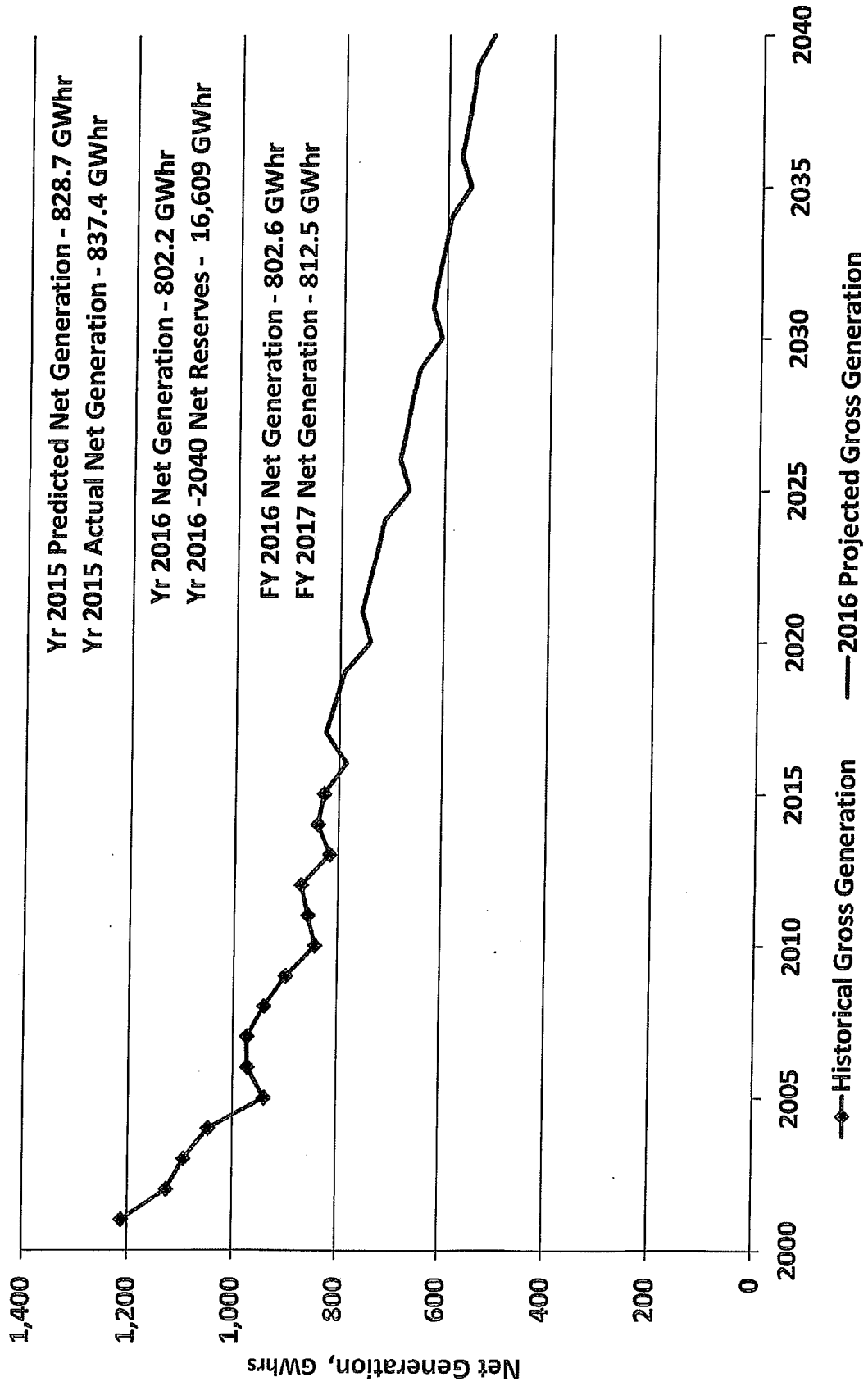
# Historical and Projected Average Net Generation Level Combined NCPA Plants #1 & #2

Figure 14



# Historical and Projected Net Generation Combined NCPA Plants #1 & #2

Figure 15



# 2015 Injection

Table 1. ANNUAL REPORT OF NCPA INJECTION AT THE GEYSERS STEAM FIELD  
for Year 2015 (in 1000 Gallons)

Well	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Condensate <sup>(1)</sup>	Effluent <sup>(2)</sup>	Well Total
A-1	18,670	20,622	11,493	22,750	16,206	9,837	11,357	9,858	4,428	11,716	18,241	27,101	182,280	69,508	251,788
	34	1,769	5,345	2,975	11,237	9,747	10,012	9,156	3,362	8,940	6,032	900			
B-6	4,129	6,600	296	-	16,321	13,727	11,385	14,474	5,718	59	-	-		72,709	72,709
C-11	-	-	588	-	-	-	-	-	-	-	-	-	588	408	996
	-	-	408	-	-	-	-	-	-	-	-	-			
E-8	10,921	10,963	14,727	14,073	24,650	18,561	17,783	19,324	8,046	28,529	24,536	28,996		221,109	
F-1	-	-	893	-	-	-	-	-	-	-	-	-	893	-	893
	-	-	-	-	-	-	-	-	-	-	-	-			
F-4	25,894	25,011	22,845	10,012	16,804	13,643	15,761	14,138	11,312	18,431	26,527	34,691	235,068	89,448	324,516
	70	2,158	7,068	2,399	10,213	13,985	14,114	12,060	4,071	13,917	8,084	1,308			
H-4	6,263	3,802	13,006	25,127	25,375	20,417	18,486	20,457	8,387	36,714	30,932	32,096		241,062	241,062
J-6	-	1,929	-	-	-	-	-	-	-	-	-	179	2,108	-	2,108
N-7	2,703	8,435	5,308	9,173	9,600	4,035	2,575	4,800	933	6,883	8,830	20,490	83,766	377,398	461,164
	4,437	10,087	32,446	35,845	44,987	35,609	34,027	35,293	12,328	41,665	50,241	40,434			
P-9	-	-	-	-	-	1,931	4,525	6,354	2,724	-	-	-		15,534	15,534
Q-1	-	-	-	-	8,466	14,604	12,444	10,165	6,509	17,298	16,875	14,185		100,546	100,546
Q-4	-	-	-	-	-	-	884	2,187	4,369	1,020	16,933	19,736		45,129	45,129
Q-7	-	-	-	-	-	-	-	308	-	-	-	-		308	308
Q-10	-	-	-	-	-	-	-	-	-	-	-	-		0	269,394
	4,372	5,844	24,085	33,739	35,536	27,251	19,208	19,215	8,623	35,632	26,676	29,213			
Totals	77,493	97,220	138,508	156,093	219,395	183,347	172,561	177,789	80,810	220,804	233,907	249,329	504,703	1,502,553	1,786,147
During each month the % of Effluent Pipeline water that was fresh water withdrawn from Clear Lake:															
Notes:	1. "Effluent" (pipeline) volumes are water from Clear Lake together with LACOSAN and Clearlake Oaks treated wastewater.														
	2. The 8 Bold well names in <i>italics</i> are located in Lake County (Central Valley Region), the 10 others are in Sonoma County (North Coast Region).														

**TABLE 2. GEOTHERMAL FACILITIES**  
Summary Table

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<u>Generation (gross)</u>										
(MWh)	1,078,293	1,055,813	1,018,904	981,100	916,437	926,368	936,868	886,004	922,995	903,299
(MW)	123.1	120.5	116.0	112.0	104.6	105.7	106.7	101.1	105.4	103.1
<u>Generation (net)</u>										
(MWh)	972,918	974,387	942,153	900,599	844,642	858,747	872,422	816,824	862,842	837,379
(MW)	111.1	111.2	107.3	102.8	96.4	98.0	99.3	93.2	98.5	95.6
<u>Protocol</u>										
(MW)	126	122	116	113	108	108	108	108	107	107
<u>Steam Conversion</u>										
(Lbs / Kw)	16.59	16.66	16.83	17.53	18.33	18.39	17.72	18.99	17.33	17.20
<u>Steam Delivered</u>										
(Billion Lbs)	17.893	17.59	17.145	17.2	16.8	17.04	16.60	16.83	16.00	15.54
<u>Load Flexibility (gross)</u>										
Monthly High (MW)	133	126	121	117	109	109	110	109	110	110
Monthly Low (MW)	106	106	101	108	63	106	105	82	104	104
<u>Injection</u>										
Total (Billion Lbs)	16.25	20.94	16.00	14.74	17.45	16.66	16.22	17.96	12.39	14.86
Condensate (Billion Lbs)	6.20	6.23	4.87	2.87	4.96	4.79	5.00	4.21	4.62	4.20
Effluent (Billion Lbs)	9.90	14.47	10.83	9.82	12.13	11.82	11.18	13.75	7.77	12.50
<u>Mass Replacement</u>										
Annual (%)	90.8%	119.0%	93.3%	85.7%	103.9%	97.8%	97.7%	106.7%	77.5%	95.6%
Cumulative (%)	52.9%	55.2%	56.2%	57.2%	58.6%	59.8%	60.9%	62.2%	62.6%	63.4%
<u>Wells Used For Injection</u>										
	8	7	8	8	11	15	15	13	12	13
<u>NCPA Micro-seismic</u>										
Activity N>= 1.5	68	76	50	49	55	73	81	68	58	50
<u>NCPA Micro-seismic</u>										
Activity Maximum	3.12	2.91	2.97	2.64	2.99	3.3	2.91	3.76	4.38	2.99
<u>Magnitude Event</u>										
<u>NCG Concentration</u>										
(ppmw)	2,590	2,482	2,209	2,395	2,785	2,950	3,097	3,248	3,069	3,176

**Table 3**  
**RESERVOIR PRESSURE**  
**BY WELL 2016**

WELL	PRESS	WELL	PRESS	WELL	PRESS	WELL	PRESS
A-3	71.0	D-1	65.8			P-1	
A-4	73.2	D-2		H-1	75.5	P-2	120.2
A-5	70.5	D-6	74.5	H-2		P-4	78.8
A-6	69.3	D-7		H-3		P-5	162.4
A-SITE	71.0	D-8		H-4	64.3	P-6	148.2
		D-SITE	70.1	H-5		P-7	92.3
B-2	80.9			H-SITE	69.9	P-8	158.0
B-3	79.2	E-1	77.5			P-9	127.4
B-4	78.0	E-2	77.0	J-2	103.8	P-SITE	126.8
B-5	75.5	E-3	90.1	J-3	106.5		
B-6	70.3	E-4	76.1	J-4	102.0	Q-1	
B-SITE	76.8	E-5	79.0	J-5	133.0	Q-3	
		E-6	77.4	J-SITE	111.3	Q-4	62.8
C-1	62.1	E-8				Q-5	75.5
C-2		E-SITE	79.5			Q-6	
C-4	65.7			N-1	65.4	Q-7	83.8
C-5		F-1	64.1	N-2		Q-8	
C-6		F-2		N-3		Q-9	
C-7		F-3		N-4	60.0	Q-SITE	69.1
C-8		F-4		N-5			
C-9		F-5	78.1	N-6	65.4	Y-1	
C-10	57.6	F-6	72.2	N-SITE	63.6	Y-2	67.8
C-SITE	61.7	F-7				Y-3	82.0
		F-SITE	71.5			Y-4	72.6
						Y-5	
						Y-SITE	67.8

VALUES ARE FROM PRESSURE BUILD- UP TESTS  
SHADED NUMBERS ARE FOR DATA OBTAINED FROM OTHER STATIC  
PRESSURE OBSERVATIONS

45 WELLS TESTED      AVE. WELL PRESS EQUALS      84.3 psig

AVE SITE PRESS EQUALS      78.3 psig

AVE. FLOWRATE =      29.2 kph at      44.3 psig

TABLE 4 NCG CONCENTRATIONS (PPMW) 2015 BY WELL, AND SITE AND PROJECT											
WELL		NCG		WELL		NCG		WELL		NCG	
A-3	8222	D-1	2596	H-1	1854	P-1					
A-4	3267	D-2	2475	H-2	864	P-2	2784				
A-5	2708	D-6	3349	H-3	4116	P-4	1334				
A-6	3454	D-7	1919	H-4		P-5	919				
A-SITE	4413	D-8	1956	H-5	3285	P-6	2336				
		D-SITE	2459	H-SITE	2530	P-7	4139				
B-2	2333					P-8	3259				
B-3	4241	E-1	9709	J-2	4291	P-9					
B-4	2363	E-2	3282	J-3	730	P-SITE	2462				
B-5	2132	E-3	3340	J-4	2206						
B-6		E-4	4712	J-5	1263	Q-1					
B-SITE	2767	E-5	5510	J-SITE	2123	Q-3	4757				
		E-6	2712			Q-4	1708				
C-1	2981	E-SITE	4878	N-1	1299	Q-5	1598				
C-2	4056			N-2	1347	Q-6	1615				
C-4	3828	F-1	1359	N-3	550	Q-7	5596				
C-5	13030	F-2	2221	N-4	1240	Q-8	1748				
C-6	6535	F-3	2157	N-5	3818	Q-9	2189				
C-7	5937	F-4		N-6	2840	Q-A					
C-8	3885	F-5	636	N-SITE	1849	Q-SITE	2744				
C-9	6347	F-6	943			Y-1	2094				
C-A	1953	F-7	1630			Y-2	4226				
C-SITE	5395	F-SITE	1491			Y-3	3157				
						Y-4	4447				
						Y-5	4224				
						Y-SITE	3481				
VALUES ARE FROM NCPA CHEM LAB ANALYSIS											
Number of wells samples wells sampled=						66					
AVG. WELL NCG =						3176					
AVG. SITE NCG =						3049					
NCG Flow Weighted Avg. =						2964					



**2016 Generation - 25 Year Forecast**  
**Table 5**

Year	Total Geo Facilities		Plant #1		Plant #2	
	Gross	Net	Gross	Net	Gross	Net
	Generation GWhr	Generation GWhr	Generation GWhr	Generation GWhr	Generation GWhr	Generation GWhr
2016	882.8	802.2	537.3	484.4	345.5	317.8
2017	897.2	826.2	516.2	467.6	381.0	358.6
2018	883.6	808.4	511.8	459.0	371.8	349.4
2019	866.4	791.2	503.3	450.6	363.0	340.6
2020	809.4	740.6	492.2	443.4	317.2	297.2
2021	829.2	758.2	482.5	433.9	346.7	324.3
2022	814.9	743.9	475.8	427.2	339.1	316.7
2023	803.3	728.4	471.5	419.0	331.8	309.4
2024	791.0	716.0	465.3	412.7	325.7	303.2
2025	736.6	668.0	453.0	404.4	283.6	263.6
2026	757.6	686.6	446.0	397.4	311.7	289.3
2027	744.6	673.7	439.2	390.6	305.5	283.1
2028	737.7	662.9	437.3	385.0	300.4	277.9
2029	723.4	648.9	429.6	377.4	293.8	271.4
2030	676.8	608.2	419.7	371.1	257.1	237.1
2031	696.5	625.5	413.5	364.9	283.0	260.6
2032	687.2	616.1	408.5	359.8	278.7	256.2
2033	677.9	603.5	404.9	352.9	273.0	250.6
2034	667.3	593.0	399.0	347.2	268.3	245.9
2035	625.2	556.6	390.1	341.5	235.1	215.2
2036	645.6	574.4	385.6	336.9	260.0	237.5
2037	634.1	563.1	379.2	330.6	255.0	232.6
2038	627.8	553.7	377.0	325.3	250.8	228.4
2039	619.8	545.7	373.0	321.3	246.8	224.4
2040	582.6	514.0	366.0	317.4	216.6	196.6

Notes:

1. Assumes 3 unit operation.
2. Steam Reserves: 323 Billion lb.
3. Gross Reserves: 18,419 GWhr
4. Net Reserves: 16,609 GWhr
5. Plant #1 Auxiliary Load is fixed at 5.68 MW.  
Plant #2 Auxiliary Load is fixed at 2.58 MW.
6. Plant availability is 99.5% or a forced outage rate of 43.8 hrs per year.
7. See Table 5B for scheduled outages.

**2015 Generation Level - 25 Year Forecast**  
**Table 5A**

Year	Plant #1		Plant #2		Total	
	Avg. Gross	Avg. Net	Avg. Gross	Avg. Net	Avg. Gross	Avg. Net
	Gen.	Gen.	Gen.	Gen.	Gen.	Gen.
	MW	MW	MW	MW	MW	MW
2016	60.8	55.2	39.5	36.3	100.3	91.5
2017	59.7	54.1	44.1	41.5	103.8	95.6
2018	58.7	53.1	43.0	40.4	101.7	93.5
2019	57.7	52.1	42.0	39.4	99.7	91.5
2020	56.8	51.2	37.6	35.2	94.4	86.4
2021	55.8	50.2	40.1	37.5	95.9	87.7
2022	55.0	49.4	39.2	36.6	94.3	86.1
2023	54.1	48.5	38.4	35.8	92.5	84.3
2024	53.2	47.6	37.6	35.0	90.8	82.6
2025	52.4	46.8	33.7	31.3	86.1	78.1
2026	51.6	46.0	36.1	33.5	87.7	79.4
2027	50.8	45.2	35.3	32.8	86.1	77.9
2028	50.0	44.4	34.7	32.1	84.7	76.5
2029	49.3	43.7	34.0	31.4	83.3	75.1
2030	48.6	42.9	30.6	28.2	79.1	71.1
2031	47.8	42.2	32.7	30.2	80.6	72.4
2032	47.1	41.5	32.2	29.6	79.3	71.1
2033	46.4	40.8	31.6	29.0	78.0	69.8
2034	45.8	40.2	31.0	28.4	76.8	68.6
2035	45.1	39.5	28.0	25.6	73.1	65.1
2036	44.5	38.9	30.0	27.4	74.5	66.3
2037	43.9	38.2	29.5	26.9	73.4	65.1
2038	43.3	37.6	29.0	26.4	72.3	64.1
2039	42.8	37.2	28.6	26.0	71.3	63.1
2040	42.3	36.7	28.1	25.5	70.4	62.2

\* Average generation levels plants are capable of achieving.

## 2016 Scheduled Outages - 25 Year Forecast

**Table 5B**

Year	Plant #1		Plant #2
	Unit 1	Unit 2	Unit 4
	Scheduled	Scheduled	Scheduled
	Outages	Outages	Outages
	hrs	hrs	hrs
2016	36	36	1200
2017	36	36	72
2018	1008	36	72
2019	36	1008	72
2020	36	36	1008
2021	36	36	72
2022	36	36	72
2023	1008	36	72
2024	36	1008	72
2025	36	36	1008
2026	36	36	72
2027	36	36	72
2028	1008	36	72
2029	36	1008	72
2030	36	36	1008
2031	36	36	72
2032	36	36	72
2033	1008	36	72
2034	36	1008	72
2035	36	36	1008
2036	36	36	72
2037	36	36	72
2038	1008	36	72
2039	36	1008	72
2040	36	36	1008

**2016 Generation - 5 Year Forecast**

**Table 6**

Date	Total Geo Facilities		Plant #1		Plant #2	
	Gross	Net	Gross	Net	Gross	Net
	Generation	Generation	Generation	Generation	Generation	Generation
	GWHr	GWHr	GWHr	GWHr	GWHr	GWHr
Jan-16	80.3	73.1	45.3	40.0	35.0	33.1
Feb-16	71.2	65.4	37.9	33.9	33.3	31.5
Mar-16	76.9	69.9	46.9	41.7	30.0	28.3
Apr-16	52.3	46.9	52.3	46.9	0.0	0.0
May-16	78.6	72.6	45.1	40.9	33.6	31.6
Jun-16	76.0	70.1	43.6	39.5	32.4	30.6
Jul-16	78.4	72.3	45.0	40.8	33.4	31.5
Aug-16	78.3	72.2	44.9	40.8	33.3	31.4
Sep-16	59.5	46.5	43.4	39.4	16.1	7.1
Oct-16	78.0	72.0	44.8	40.7	33.2	31.3
Nov-16	75.4	69.5	43.3	39.3	32.1	30.2
Dec-16	77.8	71.7	44.7	40.6	33.1	31.2
Jan-17	77.5	71.4	44.5	40.3	33.0	31.1
Feb-17	69.9	64.4	40.1	36.4	29.7	28.0
Mar-17	74.1	68.2	44.4	40.2	29.7	27.9
Apr-17	70.3	64.9	38.6	35.0	31.7	29.9
May-17	77.0	70.9	44.3	40.1	32.7	30.8
Jun-17	74.4	68.5	42.8	38.8	31.6	29.8
Jul-17	76.8	70.7	44.2	40.0	32.6	30.7
Aug-17	76.7	70.6	44.1	40.0	32.5	30.6
Sep-17	74.1	68.2	42.7	38.6	31.4	29.6
Oct-17	76.4	70.3	44.0	39.9	32.4	30.5
Nov-17	73.8	68.0	42.6	38.5	31.3	29.4
Dec-17	76.2	70.1	43.9	39.8	32.3	30.3
Jan-18	75.9	69.9	43.7	39.6	32.2	30.3
Feb-18	68.5	63.0	39.5	35.7	29.0	27.3
Mar-18	72.6	66.7	43.6	39.5	29.0	27.2
Apr-18	73.2	63.5	42.2	34.3	31.0	29.1
May-18	75.5	69.4	43.6	39.4	31.9	30.0
Jun-18	72.9	67.1	42.1	38.1	30.8	29.0
Jul-18	75.3	69.2	43.4	39.3	31.8	29.9
Aug-18	75.1	69.1	43.4	39.2	31.7	29.8
Sep-18	72.6	66.7	42.0	37.9	30.7	28.8
Oct-18	74.9	68.8	43.3	39.1	31.6	29.7
Nov-18	72.4	66.5	41.9	37.8	30.5	28.7
Dec-18	74.7	68.6	43.2	39.0	31.5	29.6
Jan-19	74.4	68.4	43.0	38.8	31.4	29.5
Feb-19	67.1	61.6	38.8	35.0	28.3	26.6
Mar-19	71.2	65.3	42.9	38.8	28.3	26.5
Apr-19	71.7	62.1	41.5	33.7	30.2	28.4
May-19	74.0	67.9	42.8	38.7	31.2	29.3
Jun-19	71.5	65.6	41.4	37.4	30.1	28.3
Jul-19	73.8	67.7	42.7	38.6	31.1	29.1
Aug-19	73.7	67.6	42.7	38.5	31.0	29.1
Sep-19	71.2	65.3	41.3	37.2	29.9	28.1
Oct-19	73.5	67.4	42.6	38.4	30.9	29.0
Nov-19	71.0	65.1	41.2	37.1	29.8	28.0
Dec-19	73.2	67.2	42.5	38.3	30.8	28.8
Jan-20	73.0	66.9	42.3	38.1	30.7	28.8
Feb-20	68.2	62.5	39.5	35.6	28.7	26.9
Mar-20	42.2	38.0	42.2	38.0	0.0	0.0
Apr-20	55.4	50.6	36.7	33.1	18.7	17.5
May-20	72.6	66.5	42.1	37.9	30.5	28.5
Jun-20	70.1	64.2	40.7	36.7	29.4	27.6
Jul-20	72.4	66.3	42.0	37.8	30.3	28.4
Aug-20	72.3	66.2	42.0	37.8	30.3	28.4
Sep-20	69.8	63.9	40.6	36.5	29.3	27.4
Oct-20	72.0	66.0	41.9	37.7	30.2	28.3
Nov-20	69.6	63.7	40.5	36.4	29.1	27.3
Dec-20	71.8	65.8	41.8	37.6	30.1	28.1

**2016 Generation Level - 5 Year Forecast\***

**Table 6A**

Year	Plant #1		Plant #2		Total	
	Avg. Gross	Avg. Net	Avg. Gross	Avg. Net	Avg. Gross	Avg. Net
	Gen. MW	Gen. MW	Gen. MW	Gen. MW	Gen. MW	Gen. MW
Jan-16	59.8	53.8	47.1	44.4	106.9	98.2
Feb-16	53.6	48.7	47.9	45.3	101.5	94.0
Mar-16	63.0	56.0	40.3	38.0	103.3	94.0
Apr-16	72.7	64.5	0.0	0.0	72.7	64.5
May-16	60.9	55.3	45.3	42.7	106.2	98.0
Jun-16	60.8	55.2	45.2	42.6	106.1	97.9
Jul-16	60.8	55.1	45.1	42.6	105.9	97.7
Aug-16	60.7	55.1	45.0	42.5	105.7	97.5
Sep-16	60.6	55.0	22.5	9.9	83.1	64.9
Oct-16	60.5	54.9	44.9	42.3	105.4	97.2
Nov-16	60.5	54.9	44.8	42.2	105.2	97.0
Dec-16	60.4	54.8	44.7	42.1	105.1	96.9
Jan-17	60.1	54.5	44.6	42.0	104.7	96.5
Feb-17	60.0	54.4	44.5	41.9	104.5	96.3
Mar-17	60.0	54.3	44.4	41.8	104.4	96.1
Apr-17	59.9	54.3	44.3	41.7	104.2	96.0
May-17	59.8	54.2	44.2	41.6	104.0	95.8
Jun-17	59.8	54.1	44.1	41.5	103.9	95.7
Jul-17	59.7	54.1	44.0	41.4	103.7	95.5
Aug-17	59.6	54.0	43.9	41.3	103.6	95.3
Sep-17	59.5	53.9	43.8	41.3	103.4	95.2
Oct-17	59.5	53.9	43.8	41.2	103.2	95.0
Nov-17	59.4	53.8	43.7	41.1	103.1	94.9
Dec-17	59.3	53.7	43.6	41.0	102.9	94.7
Jan-18	59.1	53.5	43.5	40.9	102.6	94.4
Feb-18	59.0	53.4	43.4	40.8	102.4	94.2
Mar-18	59.0	53.3	43.3	40.7	102.3	94.1
Apr-18	58.9	53.3	43.2	40.6	102.1	93.9
May-18	58.8	53.2	43.1	40.6	102.0	93.8
Jun-18	58.8	53.1	43.1	40.5	101.8	93.6
Jul-18	58.7	53.1	43.0	40.4	101.7	93.5
Aug-18	58.6	53.0	42.9	40.3	101.5	93.3
Sep-18	58.6	52.9	42.8	40.2	101.4	93.1
Oct-18	58.5	52.9	42.7	40.1	101.2	93.0
Nov-18	58.4	52.8	42.6	40.0	101.1	92.8
Dec-18	58.4	52.7	42.5	40.0	100.9	92.7
Jan-19	58.1	52.5	42.5	39.9	100.6	92.3
Feb-19	58.0	52.4	42.4	39.8	100.4	92.2
Mar-19	58.0	52.3	42.3	39.7	100.3	92.1
Apr-19	57.9	52.3	42.2	39.6	100.1	91.9
May-19	57.8	52.2	42.1	39.5	100.0	91.8
Jun-19	57.8	52.2	42.0	39.5	99.8	91.6
Jul-19	57.7	52.1	42.0	39.4	99.7	91.5
Aug-19	57.6	52.0	41.9	39.3	99.5	91.3
Sep-19	57.6	52.0	41.8	39.2	99.4	91.2
Oct-19	57.5	51.9	41.7	39.1	99.2	91.0
Nov-19	57.5	51.8	41.6	39.0	99.1	90.9
Dec-19	57.4	51.8	41.6	39.0	98.9	90.7
Jan-20	57.1	51.5	41.5	38.9	98.6	90.4
Feb-20	57.1	51.4	41.4	38.8	98.4	90.2
Mar-20	57.0	51.4	0.0	0.0	57.0	51.4
Apr-20	56.9	51.3	41.2	38.6	98.2	90.0
May-20	56.9	51.3	41.2	38.6	98.0	89.8
Jun-20	56.8	51.2	41.1	38.5	97.9	89.7
Jul-20	56.7	51.1	41.0	38.4	97.7	89.5
Aug-20	56.7	51.1	40.9	38.3	97.6	89.4
Sep-20	56.6	51.0	40.8	38.2	97.5	89.2
Oct-20	56.6	50.9	40.8	38.2	97.3	89.1
Nov-20	56.5	50.9	40.7	38.1	97.2	89.0
Dec-20	56.4	50.8	40.6	38.0	97.0	88.8

\* Average generation levels plants are capable of achieving.

**TABLE 7**  
**2016 FORECAST OF GEOTHERMAL PRODUCTION AND**  
**INJECTION**

TIME STEP	DATE	STEAM	COND	WATER
		PROD. BLBS	INJ BLBS	INJ BLBS
1	2016	15.5	5.0	15.5
2	2017	15.3	4.9	15.4
3	2018	15.0	4.8	15.3
4	2019	14.7	4.7	15.2
5	2020	14.5	4.6	15.1
6	2021	14.2	4.6	15.1
7	2022	14.0	4.5	15.0
8	2023	13.8	4.4	14.9
9	2024	13.6	4.3	14.9
10	2025	13.4	4.3	14.8
11	2026	13.2	4.2	14.7
12	2027	13.0	4.2	14.7
13	2028	12.8	4.1	14.6
14	2029	12.6	4.0	14.5
15	2030	12.4	4.0	14.5
16	2031	12.3	3.9	14.4
17	2032	12.1	3.9	14.4
18	2033	11.9	3.8	14.3
19	2034	11.8	3.8	14.3
20	2035	11.6	3.7	14.2
21	2036	11.5	3.7	14.2
22	2037	11.3	3.6	14.1
23	2038	11.2	3.6	14.1
24	2039	11.0	3.5	14.0
25	2040	10.9	3.5	14.0

**NOTES :**

1. CUM. PRODUCTION AND INJECTION 1983-2015      626.9      Billion Lbs Steam  
    397.5      Billion Lbs Water
2. TOTAL WATER IS CONDENSATE + EFFLUENT + LAKE + POND
3. FUTURE STEAM PRODUCTION 2016-2040 =      323.5      Billion Lbs
4. FUTURE WATER INJECTION 2016-2040 =      366.2      Billion Lbs



# Commission Staff Report

May 11, 2016

**COMMISSION MEETING DATE:** May 26, 2016

**SUBJECT:** Request for Authorization to Submit a Services Proposal to Merced Irrigation District.

**AGENDA CATEGORY:** Discussion/Action

*D. Dockham*

<b>FROM:</b>	David Dockham	<b>METHOD OF SELECTION:</b>
	AGM, Power Management	N/A
<b>Division:</b>	Power Management	<i>If other, please describe:</i>
<b>Department:</b>	Industry Restructuring	N/A

**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:**

NCPA staff recommends that the NCPA Commission:

1. Authorize staff to respond to MID's RFP consistent with the principles and framework as set forth in this staff report; and
2. Direct that any final agreement arising from this proposal be reviewed through the agency's governance committees, with recommendations prepared by the governance committees for further Commission consideration and approvals.

## **BACKGROUND:**

The Merced Irrigation District ("MID") has issued a Request for Proposals ("RFP") for certain Hydro Project Scheduling Coordination Services for three (3) hydroelectric generation facilities (collectively referred to as the "Project"). The Project consists of the New Exchequer and McSwain Powerhouses, which are owned and operated by MID, and the Merced Falls Powerhouse, which MID is currently in the process of acquiring from a third party. As further described in the RFP, MID is requesting prospective suppliers to submit proposals to provide the following scope of services for the Project: (i) MID CAISO SC Registration, (ii) Transition of Powerhouses from Existing Scheduling Coordinator to MID Scheduling Coordinator, (iii) Scheduling and Bidding, (iv) Outage Management, (v) Dispatch Management, (vi) Settlement Services, and (vii) Regulatory Services (collectively referred to herein as the "Primary Services"). In addition to the Primary Services described in the RFP, MID has also indicated an interest in receiving certain enhanced services for the Project, including 7 x 24 hour Control Center Services, and GOP Reliability Standards Compliance Services (the "Enhanced Services"), that were not specifically requested in the RFP. Pursuant to the terms of the RFP, in addition to submitting proposals to supply Primary Services to MID, prospective service providers may also include in their respective proposals offers to supply additional services (such as the Enhanced Services). MID is seeking proposals in which services will be supplied by contract for an initial five (5) year term.

## **SERVICE PROPOSAL:**

NCPA staff is seeking authorization from the Commission to respond to MID's RFP by submitting a proposal to provide the Primary Services and Enhanced Services to MID as a bundled services package. The comprehensive package of services NCPA staff will submit to MID will include: (i) Scheduling Agent Services, (ii) Control Center Services, (iii) Reliability Standard Compliance Services, and (iv) Supplemental Services.

NCPA staff recommends offering to supply services to MID for a price of \$390,000 per year, where such amount shall be escalated at a rate of two percent (2%) per year for the term of the service agreement. In addition to the base price for services, MID shall also compensate NCPA for any direct investments it incurs for installing physical communications infrastructure that may be required to enable NCPA to communicate with the Project. MID shall also compensate NCPA for Supplemental Services on a time and materials basis. NCPA staff also recommends that the Commission delegate authority to the General Manager of NCPA to negotiate a final services offer (including pricing for services) based upon development of a comprehensive set of negotiated terms and conditions for such services.



**FISCAL IMPACT:**

Costs associated with development and submittal of a services proposal, in response the MID's RFP, are accounted for and are included in existing NCPA budget categories.

**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:**

No formal action was taken due to the lack of a quorum, however, the Facilities Committee representative that were present at the May 4, 2016 meeting expressed their support for the recommendation provided herein, and no other meeting attendees expressed any objections.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Randy S. Howard", with a stylized flourish at the end.

RANDY S. HOWARD  
General Manager

Attachments: 1

## **RESOLUTION 16-42**

### **RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY REQUEST FOR AUTHORIZATION TO SUBMIT A SERVICES PROPOSAL TO MERCED IRRIGATION DISTRICT**

**(reference Staff Report #158:16)**

WHEREAS, the Merced Irrigation District ("MID") has issued a Request for Proposals ("RFP") for certain Hydro Project Scheduling Coordination Services for three (3) hydroelectric generation facilities (collectively referred to as the "Project"); and

WHEREAS, the Project consists of the New Exchequer and McSwain Powerhouses, which are owned and operated by MID, and the Merced Falls Powerhouse, which MID is currently in the process of acquiring from a third party; and

WHEREAS, MID is requesting prospective suppliers to submit proposals to provide the following scope of services for the Project: (i) MID CAISO SC Registration, (ii) Transition of Powerhouses from Existing Scheduling Coordinator to MID Scheduling Coordinator, (iii) Scheduling and Bidding, (iv) Outage Management, (v) Dispatch Management, (vi) Settlement Services, and (vii) Regulatory Services; and

WHEREAS, MID has also indicated an interest in receiving certain additional services for the Project, including 7 x 24 hour Control Center Services, and GOP Reliability Standards Compliance Services, that were not specifically requested in the RFP; and

WHEREAS, NCPA is seeking authority to respond to MID's RFP by submitting a proposal to provide services to MID; and

WHEREAS, the costs associated with development and submittal of a services proposal are accounted for and are included in existing NCPA budget categories; 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

WHEREAS, no formal action was taken due to the lack of a quorum, however, the Facilities Committee representatives that were present at the May 4, 2016 meeting expressed their support for the recommendation provided herein, and no other meeting attendees expressed any objections.

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

1. Authorizes NCPA staff to respond to MID's RFP by submitting a proposal to provide services to MID, consistent with the description of services, services pricing, contract terms, and other applicable principles and framework as set forth in Staff Report 158:16; and

2. Directs that any final agreement to provide services to MID, arising from the proposal submitted by NCPA, be reviewed through the agency's governance committees, with recommendations prepared by the governance committees for further Commission consideration and approvals.

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