



651 Commerce Drive
Roseville, CA 95678

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

Commission Staff Report

AGENDA ITEM NO.: 5

Date: October 20, 2016
To: NCPA Commission
Subject: October 5, 2016 Facilities Committee Meeting Minutes

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



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Minutes

To: NCPA Facilities Committee
From: Michelle Schellentrager
Subject: October 5, 2016 Facilities Committee Meeting Minutes

1. **Call meeting to order & Roll Call** - The meeting was called to order by Committee Vice Chair Melissa Price at 9:06am. A sign-in sheet was passed around. Attending via teleconference and/or on-line presentation were: Debbie Whiteman (Alameda), Mark Sorensen (Biggs), Paul Eckert (Gridley), Chris Hutchinson and Jane Ratchye (Palo Alto), Basil Wong (Port of Oakland), Steve Hance and Peter Virasak (Santa Clara). Those attending in person are listed on the attached Attendee Sign-in Sheet. Committee Representatives from BART, Healdsburg, TID, and Ukiah were absent. A quorum of the Committee was established.

PUBLIC FORUM

No public comment.

2. **Approve minutes from the August 31st Facilities Committee meetings.** A motion was made by Steve Hance and seconded by Shannon McCann recommending approval of the August 31st Facilities Committee meeting minutes. A vote was taken by roll call: YES = Biggs, Gridley, Lodi, Lompoc, Palo Alto, Plumas-Sierra, Port of Oakland, Roseville, and Santa Clara. The motion passed.
3. **Power Management and Administrative Services Cost Allocation Study Discussion** – Staff provided an update on the Power Management and Administrative Services Cost Allocation Study. Review group has met to discuss, but has not come to a consensus on allocating revenues.

Some concepts under consideration: (a) allocating revenues to offset unfunded liability commitments for the agency; this is not supported by the review group, (b) allocating revenues primarily to members paying for costs associated with Power Management services; which appears to be the general preference of the review group, and (c) allocating revenues partly to offset Power Management services costs, and partly to offset agency A&G costs. The review group did agree that revenues should not be allocated to non-member customers, but the review group is still considering how to treat LEC non-member participants in that regard.

The review group also plans to discuss how to treat non-members who become members (whether they should be eligible for larger allocations, how soon after becoming members their allocation share should increase).

The first revenues will start coming in around July 2017. The review group plans to finish discussions and have their final recommendations ready to present during the Nov/Dec Commission Meeting.

4. **ACCO Engineered Systems, Inc. Agreement** – Staff recommended approval of a five year Multi-Task General Services Agreement with ACCO Engineered Systems, Inc., for an amount

not to exceed \$750,000 for HVAC maintenance services for use at all facilities owned and/or operated by NCPA, its Members, SCPPA, and SCPPA Members. This agreement will be renewing an existing agreement already in place between NCPA and this vendor. This will be utilized as an enabling agreement. A draft Commission Staff Report was available for review.

Motion: A motion was made by Mike Brozo and seconded by Shannon McCann recommending Commission approval of a five year Multi-Task General Services Agreement with ACCO Engineered Systems, Inc., for HVAC maintenance services for an amount not to exceed \$750,000 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 = Biggs, Gridley, Lodi, Lompoc, Palo Alto, Plumas-Sierra, Port of Oakland, Roseville, and Santa Clara. The motion passed.

5. **Hart High-Voltage Apparatus Repair & Testing Co., Inc. Agreement** – Staff recommended approval of a five year Multi-Task General Services Agreement with Hart High-Voltage Apparatus Repair & Testing Co., for an amount not to exceed \$700,000, for electrical services at all facilities owned and/or operated by NCPA, its Members, SCPPA, and SCPPA Members. Staff explained that this agreement would be renewing the existing agreement that NCPA currently has with this vendor. This will be utilized as an enabling agreement. A draft Commission Staff Report was available for review.

Motion: A motion was made by Shannon McCann and seconded by Jiayo Chiang recommending Commission approval of a five year Multi-Task General Services Agreement with Hart High-Voltage Apparatus Repair & Testing Co., with a not to exceed amount \$700,000 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 = Biggs, Gridley, Lodi, Lompoc, Palo Alto, Plumas-Sierra, Port of Oakland, Roseville, and Santa Clara. The motion passed.

6. **Burns & McDonnell Agreement** – Staff recommended approval of a five year Multi-Task Professional Services Agreement with Burns & McDonnell for an amount not to exceed \$1,000,000 for consulting services related to project support and plant operations at all facilities owned and/or operated by NCPA, its Members, SCPPA, and SCPPA Members. Staff explained they are still working with the vendor to finalize language pertaining to liability and worker's compensation, as vendor does not want to agree to NCPA standard terms (Section 4.5 of the draft agreement). A draft Commission Staff Report, a draft Resolution and a draft Multi-Task Professional Services Agreement were available for review.

Motion: A motion was made by Shannon McCann and seconded by Jiayo Chiang recommending Commission approval of a five year Multi-Task Professional Services Agreement with Burns & McDonnell for an amount not to exceed \$1,000,000 for use at all facilities owned and/or operated by NCPA, its Members, SCPPA, and SCPPA Members, subject to satisfactory resolution of Section 4.5 language. A vote was taken by roll call: YES = Biggs, Gridley, Lodi, Lompoc, Palo Alto, Plumas-Sierra, Port of Oakland, Roseville, and Santa Clara. The motion passed.

7. **Scheduling Coordination Program Agreement (SCPA) Amendment to Appendix B** – Staff recommended approval of modifications to the SCPA Appendix B Settlement Charge Codes. These modifications are needed due to the upcoming release and implementation of the CAISO's Flexible Ramping Product, which is scheduled to be released November 1, 2016. Staff outlined specifically which Charge Codes would be updated, the date on which these changes will go into effect, and descriptions of each change.

Motion: A motion was made by Jiayo Chiang and seconded by Shannon McCann recommending Commission approval of modifications to the SCPA Appendix B Settlement Charge Codes, related to the implementation of the CAISO's Flexible Ramping Product. A vote was taken by roll call: YES = Biggs, Gridley, Lodi, Lompoc, Palo Alto, Plumas-Sierra, Port of Oakland, Roseville, and Santa Clara. The motion passed.

- 8. Scheduling Coordination Program Agreement (SCPA) Amendment to Appendix E** – Staff recommended approval an Amendment to Appendix E of the Amended and Restated Scheduling Coordination Program Agreement to add three (3) new generating resources to the list of facilities scheduled within the NCPA scheduling coordinator. Palo Alto has requested the addition of these three new solar generating facilities. Pursuant to Section 17.6.2 of the SCPA, this amendment to the Appendix shall take effect after being approved by the Commission, and does not require approval of the individual Participants' governing bodies.

Motion: A motion was made by Shannon McCann and seconded by Jiayo Chiang recommending Commission approval of an Amendment to the SCPA Appendix E to add three (3) new generating resources to the list of facilities scheduled within the NCPA scheduling coordinator. A vote was taken by roll call: YES = Biggs, Gridley, Lodi, Lompoc, Palo Alto, Plumas-Sierra, Port of Oakland, Roseville, and Santa Clara. The motion passed.

- 9. BART Single Member Services Agreement** – Staff recommended approval of changes to the BART SMSA, specifically to (i) extend the term of the agreement beyond December 31, 2016, and (ii) amend Attachment A of the BART SMSA to include a revised scope of services consistent with the services NCPA will supply to BART. These changes would go into effect January 1, 2017.

BART currently receives certain transmission services from PG&E pursuant to a NITSA, which is set to expire on December 31, 2016. With the expiration of the NITSA, BART will participate in the CAISO wholesale markets directly and through NCPA, and will receive services from NCPA under the following: PMASA, SMSA, FA and SMSA. The revised Attachment A will include the complete set of services NCPA will supply to BART post-2016.

Motion: A motion was made by Shannon McCann and seconded by Basil Wong recommending Commission approval of Amendment No. 2 to the BART SMSA, which includes a revised Attachment A that is attached to and made part of the BART SMSA, to enable NCPA to continue its provision of certain services to BART through December 31, 2026; and Authorize the General Manager of NCPA to execute Amendment No. 2 to the BART SMSA, on behalf of NCPA, including any non-substantive modifications to Amendment No. 2 to the BART SMSA approved by NCPA's General Counsel. A vote was taken by roll call: YES = Biggs, Gridley, Lodi, Lompoc, Palo Alto, Plumas-Sierra, Port of Oakland, Roseville, and Santa Clara. The motion passed.

- 10. Approval of Extension of Natural Gas Pipeline Contracts** – Staff recommended approval for authorization to enable NCPA to extend the Natural Gas Pipeline Transportation Contracts for the NGTL and Foothills BC Pipeline Transportation Systems. This contract is extended on a year-to-year basis. The current contract expires October 31, 2016. Contract renewals must be submitted one (1) year prior to date of termination.

Members inquired as to why NCPA only does yearly extensions, as opposed to extending for longer terms. Staff explained that there are percentage discounts for extending for either 3 or 5 year terms, however, extending year-to-year leaves NCPA the potential for selling our total interests in the pipe if value jumped quickly.

Motion: A motion was made by Shannon McCann and seconded by Jiayo Chiang recommending approval of authorization to enable NCPA to extend the Natural Gas Pipeline Transportation Contracts for the NGTL and Foothills BC Pipeline Transportation System. A vote was taken by roll call: YES = Biggs, Gridley, Lodi, Lompoc, Plumas-Sierra, and Roseville. ABSTAIN = Palo Alto, Port of Oakland, and Santa Clara. The motion passed.

11. Second Phase Agreement for Renewable Energy Power Purchase Agreement – Staff provided an update on current efforts for a Renewable Energy Power Purchase Agreement under the 2nd Phase Agreement. The basic terms of the PPA are almost complete; review group anticipates 1-2 more sessions to finalize the PPA. This PPA will facilitate transactions between the Seller and the Buyers. NCPA will draft a separate agreement with SCPPA which will act as the Operating/Coordinating Agreement (this will address issues between buyers related to shared decision points, market bidding strategies, and cost sharing). The 3rd Phase Agreement will facilitate the transfer from NCPA to its participating members (Biggs, Gridley, Port of Oakland, and Lodi), and establishes this transaction as an NCPA Project. It also obligates those participants to pay for all project costs (indirect and direct); this protects non-participants from cross-member risks.

The review group expects the PPA, 3rd Phase, and other necessary contracts to be ready to present to the Facilities Committee in early November.

12. Planning and Operations Update –

- Staff gave an update on the on-going TO18 rate case filed PG&E (requesting a 37% increase over 2017 rates). TANC is arranging a meeting where all joint interveners in the TO18 case will discuss strategy on how it will be resolved. This meeting will take place in mid to late October. Earlier this week, NCPA filed a notice of proposed rulemaking with FERC to argue that PG&E should not be allowed to include Capitol Repair Projects when determining rates.
- Shasta Lake is considering getting Power Management services from NCPA (NCPA has submitted their proposal to Shasta Lake).
- NCPA Scheduling and Dispatch staff are on-site at MEID to see their facilities and better understand their processes.
- Planning Staff continues to meet with UD's to discuss Load Resource Balances, as well as Legislative Mandates that are impacting each utility (particularly where renewable portfolios are concerned).
- CAISO new Transmission Access Charges, Greenhouse Gas charges are all related to the regionalization. It appears the Governor's goal is to finalize a regionalization bill by November, so it may go to the Legislature in January.
- Flexible Ramping Product was released with the CAISO Fall 2016 Update. An upgrade to Metering Application was included as well. NCPA will work on ensuring that our Scheduling Coordinators and Dispatch staff are trained on accessing the new CAISO market portal. CAISO also updated their Online Metering Analysis applications (known as OMAR). IS will work on verifying that all of NCPA's current systems interact with the new system via parallel testing of this new interface; full cutover to OMAR will happen in roughly 6 months.

13. Schedule next meeting date – the next regular Facilities Committee meeting is scheduled for November 2nd.

ADJOURNMENT

The meeting was adjourned at 11:58am.



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Motion: A motion was made by Shannon McCann and seconded by Jiayo Chiang recommending Commission approval of an Amendment to the SCPA Appendix E to add three (3) new generating resources to the list of facilities scheduled within the NCPA scheduling coordinator. A vote was taken by roll call: YES = Biggs, Gridley, Lodi, Lompoc, Palo Alto, Plumas-Sierra, Port of Oakland, Roseville, and Santa Clara. The motion passed.

- 9. BART Single Member Services Agreement** – Staff recommended approval of changes to the BART SMSA, specifically to (i) extend the term of the agreement beyond December 31, 2016, and (ii) amend Attachment A of the BART SMSA to include a revised scope of services consistent with the services NCPA will supply to BART. These changes would go into effect January 1, 2017.

BART currently receives certain transmission services from PG&E pursuant to a NITSA, which is set to expire on December 31, 2016. With the expiration of the NITSA, BART will participate in the CAISO wholesale markets directly and through NCPA, and will receive services from NCPA under the following: PMASA, SMSA, FA and SMSA. The revised Attachment A will include the complete set of services NCPA will supply to BART post-2016.

Motion: A motion was made by Shannon McCann and seconded by Basil Wong recommending Commission approval of Amendment No. 2 to the BART SMSA, which includes a revised Attachment A that is attached to and made part of the BART SMSA, to enable NCPA to continue its provision of certain services to BART through December 31, 2026; and Authorize the General Manager of NCPA to execute Amendment No. 2 to the BART SMSA, on behalf of NCPA, including any non-substantive modifications to Amendment No. 2 to the BART SMSA approved by NCPA's General Counsel. A vote was taken by roll call: YES = Biggs, Gridley, Lodi, Lompoc, Palo Alto, Plumas-Sierra, Port of Oakland, Roseville, and Santa Clara. The motion passed.

- 10. Approval of Extension of Natural Gas Pipeline Contracts** – Staff recommended approval for authorization to enable NCPA to extend the Natural Gas Pipeline Transportation Contracts for the NGTL and Foothills BC Pipeline Transportation Systems. This contract is extended on a year-to-year basis. The current contract expires October 31, 2016. Contract renewals must be submitted one (1) year prior to date of termination.

Members inquired as to why NCPA only does yearly extensions, as opposed to extending for longer terms. Staff explained that there are percentage discounts for extending for either 3 or 5 year terms, however, extending year-to-year leaves NCPA the potential for selling our total interests in the pipe if value jumped quickly.

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11. Second Phase Agreement for Renewable Energy Power Purchase Agreement – Staff provided an update on current efforts for a Renewable Energy Power Purchase Agreement under the 2nd Phase Agreement. The basic terms of the PPA are almost complete; review group anticipates 1-2 more sessions to finalize the PPA. This PPA will facilitate transactions between the Seller and the Buyers. NCPA will draft a separate agreement with SCPPA which will act as the Operating/Coordinating Agreement (this will address issues between buyers related to shared decision points, market bidding strategies, and cost sharing). The 3rd Phase Agreement will facilitate the transfer from NCPA to its participating members (Biggs, Gridley, Port of Oakland, and Lodi), and establishes this transaction as an NCPA Project. It also obligates those participants to pay for all project costs (indirect and direct); this protects non-participants from cross-member risks.

The review group expects the PPA, 3rd Phase, and other necessary contracts to be ready to present to the Facilities Committee in early November.

12. Planning and Operations Update –

- Staff gave an update on the on-going TO18 rate case filed PG&E (requesting a 37% increase over 2017 rates). TANC is arranging a meeting where all joint interveners in the TO18 case will discuss strategy on how it will be resolved. This meeting will take place in mid to late October. Earlier this week, NCPA filed a notice of proposed rulemaking with FERC to argue that PG&E should not be allowed to include Capitol Repair Projects when determining rates.
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- Planning Staff continues to meet with UD's to discuss Load Resource Balances, as well as Legislative Mandates that are impacting each utility (particularly where renewable portfolios are concerned).
- CAISO new Transmission Access Charges, Greenhouse Gas charges are all related to the regionalization. It appears the Governor's goal is to finalize a regionalization bill by November, so it may go to the Legislature in January.
- Flexible Ramping Product was released with the CAISO Fall 2016 Update. An upgrade to Metering Application was included as well. NCPA will work on ensuring that our Scheduling Coordinators and Dispatch staff are trained on accessing the new CAISO market portal. CAISO also updated their Online Metering Analysis applications (known as OMAR). IS will work on verifying that all of NCPA's current systems interact with the new system via parallel testing of this new interface; full cutover to OMAR will happen in roughly 6 months.

13. Schedule next meeting date – the next regular Facilities Committee meeting is scheduled for November 2nd.

ADJOURNMENT

The meeting was adjourned at 11:58am.



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Commission Staff Report

AGENDA ITEM NO.: 6

Date: October 27, 2016
To: NCPA Commission
Subject: October 19, 2016 Draft Special 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/CFO Finance/Administrative Services
SUBJECT: October 19, 2016 Special Finance Committee Meeting Minutes

Finance Committee Attendees:

Committee Members

Madeline Deaton	Alameda
Ann Hatcher	Santa Clara
Jordan Ayers	Lodi
Matt Michaelis	Gridley
Philip McAvoy	Roseville

Attended:

call-in
call-in
call-in
call-in
attended

Consultants

Mike Berwanger	PFM
Rian Irani	PFM
Tyler Old	PFM
Harry Kightlinger	PFM
Gene Carron	Orrick
Michael Smoot	Moss Adams
Julie Desimone	Moss Adams

NCPA Staff

Donna Stevener
Sondra Ainsworth
Trisha Hubbard

Public
None

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

Chair Madeline Deaton called the meeting to order at 9:34 a.m. and roll call was conducted as listed above.

PUBLIC FORUM

Ms. Deaton 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

3. Review of the June 30, 2016 Audited Financial Statements and Related Reports

Sondra Ainsworth provided a brief review of changes in the financial statements from last year. She then introduced Julie Desimone, partner at Moss Adams to discuss the audit.

Ms. Desimone and Michael Smoot, audit manager of Moss Adams reviewed a PowerPoint presentation with a report to the Finance Committee regarding the fiscal year 2016 financial audit. Ms. Desimone complimented NCPA staff on their preparedness for the audit and their open, responsive answers to all inquiries. Ms. Desimone indicated that staff is very knowledgeable. She indicated that the expected final results are a clean "unqualified" opinion, which is the desired outcome. No adjusting entries were posted to the financial

statements based on the audit work and there were no adjusting entries that were "passed" due to immateriality. In addition, Ms. Desimone indicated that no material weaknesses or significant deficiencies in the NCPA internal control systems were noted during their testing. This year the auditors took a deeper dive into the controls around power purchasing and found no concerns in that area

Mr. Smoot discussed the auditor's responsibilities. The financial statements belong to NCPA and they are drafted by staff. The auditors role is to obtain reasonable assurance on the financial statements as a whole, not look at every transaction. The auditor opinion is that the financial statements are free of material misstatement and unlike the requirements for a publicly traded company, they do not issue an opinion on internal controls.

Mr. Smoot indicated management's accounting policies are described in Note B of the financial statements and that no aggressive or unusual accounting policies were used. He also said that estimates included in the financial statements are typical for the industry. There were no disagreements with management and no difficulties performing the audit. No other independent accountants were consulted, i.e. no "opinion shopping". As part of the review, they make sure there are no independence issues and Moss Adams remains independent from NCPA. To add further assurance of independence, a partner not involved in the audit conducts a concurring review every year.

Mr. Smoot then discussed a new accounting standard, GASB 72, that came into effect this past year. NCPA is already recording at fair value, therefore there were no changes to the numbers. The main impact was in the footnote disclosures with the addition of another page and one half of disclosures in Footnote D about the fair value of assets and liabilities. Mr. Smoot then indicated that on the horizon for June 30, 2018 is GASB 75. This new GASB relates to accounting and reporting for Postemployment Benefits Other than Pensions. It will require adding the retiree medical liability to the balance sheet, similar to what occurred a few years ago with GASB 68 and the pension liability.

Motion: A motion was made by Jordan Ayers and seconded by Matt Michaelis recommending that the Finance Committee accept and file the 2015-16 Annual Financial Statements and Associated Audit Report and Letters. A vote was taken by roll call with the following results:

<i>Representative</i>	<i>Member Org</i>	<i>Vote</i>
Madeline Deaton, Chair	Alameda	YES
Ann Hatcher	SVP	YES
Jordan Ayers	Lodi	YES
Philip McAvoy	Roseville	YES
Matt Michaelis	Gridley	YES

Voting Results: 5 Ayes, 0 Noes, 0 Abstain, 0 Absent

4. Approval of the Sixteenth Supplemental Indenture of Trust to Amend the Geothermal Project Number 3 Indenture of Trust

Donna Stevener provided background on the need to amend the Geothermal Bond Indenture to reflect current project participation by Turlock Irrigation District and the removal of Palo Alto as a project participant on July 1, 2019 when the Geothermal 2009A bonds are retired. In addition to this clarification amendment, amendments to the due dates for the financial

audit and elimination of a requirement for a bond compliance letter are also requested. The primary bond holder for Geothermal, Bank of America, has agreed to the amendments and will provide signed consent forms agreeing to the changes.

Motion: A motion was made by Jordan Ayers and seconded by Ann Hatcher recommending approval of the Sixteenth Supplemental Indenture of Trust to Amend the Geothermal Project Number 3 Indenture of Trust. A vote was taken by roll call with the following results:

<i>Representative</i>	<i>Member Org</i>	<i>Vote</i>
Madeline Deaton, Chair	Alameda	YES
Ann Hatcher	SVP	YES
Jordan Ayers	Lodi	YES
Philip McAvoy	Roseville	YES
Matt Michaelis	Gridley	YES

Voting Results: 5 Ayes, 0 Noes, 0 Abstain, 0 Absent

NEW BUSINESS

5. Other items of interest to the Finance Committee

Jordan Ayers announced his retirement on December 2nd. His last Finance Committee meeting will be in November. Ms. Stevener congratulated him on his retirement. Ms. Stevener explained the appointment process to the Finance Committee. The NCPA Chairman will recommend a new appointment to the Committee to replace Mr. Ayers and it will be affirmed by the full Commission.

6. Next Finance Committee Meeting

The next regular Finance Committee meeting is scheduled for November 9, 2016 at 10:00 a.m.

ADJOURNMENT

Meeting was adjourned at approximately 10:17 a.m.



Commission Staff Report

October 20, 2016

COMMISSION MEETING DATE: October 27, 2016

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

AGENDA CATEGORY: Consent

FROM:	Sondra Ainsworth <i>SA</i>	METHOD OF SELECTION:
	Treasurer-Controller	N/A
Division:	Administrative Services	:
Department:	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 \$27,293,076 of which approximately \$194,459 was applicable to Special and Reserve Fund Deposits, \$3,833,195 to Debt Service and \$23,265,422 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 \$236,102,979 at month end. The current market value of the portfolio totaled \$236,935,714.

The overall portfolio had a combined weighted average interest rate of 0.995% with a bond equivalent yield (yield to maturity) of 1.008%. Investments with a maturity greater than one year totaled \$148,192,000. September maturities totaled \$627,000 and monthly receipts totaled \$26 million. During the month \$3 million was invested.

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

Interest Rates - During the month, rates on 90 day T-Bills decreased by 4 basis points (from 0.31% to 0.27%) and rates on one year T-Bills remain unchanged at 0.59% basis points.

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

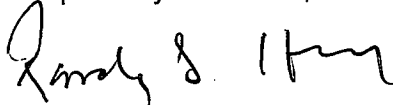
FISCAL IMPACT:

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

Attachment

NORTHERN CALIFORNIA POWER AGENCY

TREASURER'S REPORT

SEPTEMBER 30, 2016

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INVESTMENT MATURITIES ANALYSIS	5
DETAIL REPORT OF INVESTMENTS	APPENDIX

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

	CASH	INVESTMENTS	TOTAL	PERCENT
NCPA FUNDS				
Operating	\$ 21,529,975	\$ 66,542,814	88,072,789	33.44%
Special Deposits	1,704,112	1	1,704,113	0.65%
Construction	31,335	4,852,916	4,884,251	1.85%
Debt Service	3,833,195	16,166,782	19,999,977	7.59%
Special & Reserve	194,459	148,540,466	148,734,925	56.47%
	<u>\$ 27,293,076</u>	<u>\$ 236,102,979</u>	<u>\$ 263,396,055</u>	<u>100.00%</u>

Portfolio Investments at Market Value

\$ 236,935,714

NOTE A -Investment amounts shown at book carrying value.

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

	RECEIPTS			EXPENDITURES			CASH
	OPS/CONSTR	INTEREST (NOTE B)	INVESTMENTS (NOTE A)	OPS/CONSTR	INVESTMENTS (NOTE B)	INTER-COMPANY/ FUND TRANSFERS	INCREASE / (DECREASE)
NCPA FUNDS							
Operating	\$ 25,974,651	\$ 861	\$ 206,709	\$ (12,727,768)	\$ (379,958)	\$ (17,190,530)	\$ (4,116,035)
Special Deposits	301,010	4	-	(10,936,279)	-	11,332,552	697,287
Construction	-	-	-	-	-	-	-
Debt Service	-	24	-	-	(2,199,518)	6,031,227	3,831,733
Special & Reserve	-	3,558	420,755	-	(247,808)	(173,249)	3,256
	<u>\$ 26,275,661</u>	<u>\$ 4,447</u>	<u>\$ 627,464</u>	<u>\$ (23,664,047)</u>	<u>\$ (2,827,284)</u>	<u>\$ -</u>	<u>\$ 416,241</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
September 30, 2016**

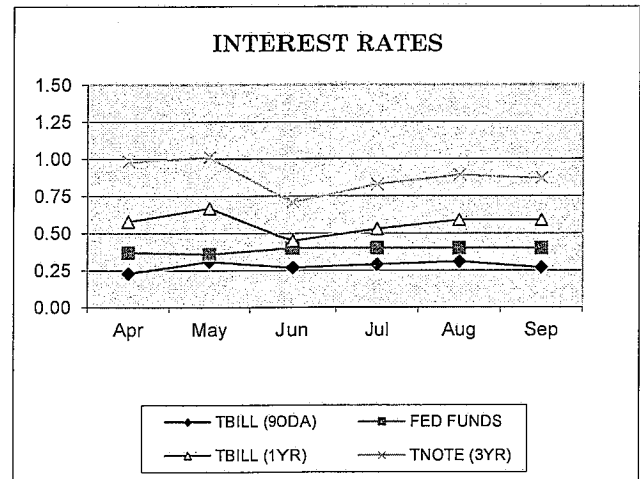
	PURCHASED	SOLD OR MATURED	(NON-CASH) DISC/(PREM) AMORT	(NON-CASH) GAIN/(LOSS) ON SALE	INVESTMENTS TRANSFERS	INCREASE / (DECREASE)
NCPA FUNDS						
Operating	\$ 379,958	\$ (206,709)	\$ (3,102)	\$ -	\$ -	\$ 170,147
Special Deposits	-	-	-	-	-	-
Construction	-	-	(704)	-	-	(704)
Debt Service	2,199,518	-	4,052	-	-	2,203,570
Special & Reserve	247,808	(420,755)	(3,496)	-	-	(176,443)
	<u>\$ 2,827,284</u>	<u>\$ (627,464)</u>	<u>\$ (3,250)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>2,196,570</u>
Less Non- Cash Activity						
Disc/(Prem) Amortization & Gain/(Loss) on Sale						<u>3,250</u>
Net Change in Investment --Before Non-Cash Activity						<u>\$ 2,199,820</u>

NOTE A -Investment amounts shown at book carrying value.

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

	<u>WEIGHTED AVERAGE INTEREST RATE</u>	<u>BOND EQUIVALENT YIELD</u>
OVERALL COMBINED	<u>0.995%</u>	<u>1.008%</u>
<u>OPERATING FUNDS:</u>	1.008%	0.970%
<u>PROJECTS:</u>		
Geothermal	1.201%	1.206%
Capital Facilities	1.782%	1.760%
Hydroelectric	1.238%	1.210%
Lodi Energy Center	0.823%	0.778%

KEY INTEREST RATES		
	<u>CURRENT</u>	<u>PRIOR YEAR</u>
Fed Fds (Ovrnight)	0.40%	0.14%
T-Bills (90da.)	0.27%	0.01%
Agency Disc (90da.)	0.30%	0.18%
T-Bills (1yr.)	0.59%	0.34%
Agency Disc (1yr.)	0.60%	0.39%
T-Notes (3yr.)	0.87%	0.99%



Northern California Power Agency
Total Portfolio
Investment Maturities Analysis
September 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	\$ -	\$ 14,227	\$1,264	\$ 7,233	\$ 4,170	\$ 142,821	\$ 5,371	\$ 175,086	68.01%
US Bank Trust Money Market	5,612							5,612	2.18%
Commercial Paper	5,000							5,000	1.94%
Investment Trusts (LAIF)	50,172							50,172	19.49%
U.S.Treasury Market Acct. *	21,544							21,544	8.37%
U.S.Treasury Bill									0.00%
Certificates of Deposit	10							10	0.00%
Total Dollars	\$ 82,338	\$14,227	\$1,264	\$7,233	\$4,170	\$142,821	\$5,371	\$ 257,424	100.00%
Total Percents	31.99%	5.53%	0.49%	2.81%	1.62%	55.48%	2.09%	100.00%	

Investments are shown at Face Value, in thousands.

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

NORTHERN CALIFORNIA POWER AGENCY

Detail Report Of Investments

APPENDIX

Note: This appendix has been prepared to comply with
Government Code section 53646.



Northern California Power Agency
Treasurer's Report
09/30/2016

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	15,658,338	0.545	07/01/2013	15,658,338		1	0.545	15,658,338	SYS70000	70000	15,658,338
Union Bank of Calif	UBOC	1,010	0.002	07/01/2013	1,010		1	0.002	1,010	SYS70014	70014	1,010
US Bank	USB	21,529,973	0.001	06/30/2013	21,529,973		1	0.001	21,529,973	SYS70050	70050	21,529,973
US Bank	USB	10,000	0.050	07/07/2016	10,000	10/07/2016	6	0.050	10,000	SYS30300	30300	10,000
Federal Farm Credit	UBOC	3,626,000	1.290	12/21/2015	3,624,948	11/19/2018	779	1.300	3,651,128	3133EFPJ0	26280	3,625,229
Federal Home Loan Mt	UBOC	9,870,000	1.750	06/09/2015	9,983,900	05/30/2019	971	1.450	10,076,086	3137EADG1	26231	9,946,331
Federal Home Loan Mt	UBOC	3,398,000	1.600	04/29/2016	3,398,000	10/29/2020	1,489	1.600	3,398,136	3134G9BY2	26331	3,398,000
Federal Home Loan Ba	UBOC	7,785,000	1.400	07/19/2016	7,781,108	01/19/2021	1,571	1.411	7,775,113	3130A8P80	26355	7,781,281
Fund Total and Average		\$ 66,878,321	0.709		\$ 66,987,277		445	0.867	\$ 67,099,784			\$ 66,950,162

MPP GHG Auction Acct

Local Agency Investm		47,654	0.545	07/01/2013	47,654		1	0.545	47,654	SYS70045	70045	47,654
Fund Total and Average		\$ 47,654	0.546		\$ 47,654		1	0.546	\$ 47,654			\$ 47,654

SCPA Balancing Account

Local Agency Investm	LAIF	2,315,534	0.545	07/01/2013	2,315,534		1	0.545	2,315,534	SYS70022	70022	2,315,534
Union Bank of Calif	UBOC	0	0.005	07/01/2013	0		1	0.005	0	SYS70023	70023	0
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	573	1.000	4,511,759	3130A55T2	26223	4,510,000
Federal National Mtg	UBOC	3,982,000	1.625	12/18/2014	4,000,630	11/27/2018	787	1.369	4,025,986	3135GOYT4	26187	3,983,125
Federal National Mtg	UBOC	5,098,000	1.350	04/28/2016	5,098,000	10/28/2019	1,122	1.350	5,098,204	3135GOJ95	26330	5,098,000
Federal National Mtg	UBOC	5,097,000	1.350	07/28/2016	5,097,000	07/28/2020	1,396	1.350	5,081,556	3136G3T39	26357	5,097,000
Fund Total and Average		\$ 20,982,534	1.238		\$ 21,021,164		883	1.190	\$ 21,033,039			\$ 21,003,659

General Operating Reserve

Local Agency Investm	LAIF	23,617,727	0.545	07/01/2013	23,617,727		1	0.545	23,617,727	SYS70000	70002	23,617,727
Union Bank of Calif	UBOC	4,937	0.002	07/01/2013	4,937		1	0.002	4,937	SYS70019	70019	4,937
US Bank	USB	0	0.000	07/01/2013	0		1	0.000	0	SYS70051	70051	0
Federal National Mtg	UBOC	3,263,000	0.750	12/16/2014	3,261,466	04/20/2017	201	0.770	3,266,981	3135GOZB2	26186	3,262,638
Federal National Mtg	UBOC	5,970,000	1.625	12/23/2014	6,009,701	11/27/2018	787	1.450	6,066,416	3135GOYT4	26188	5,991,788
Federal National Mtg	UBOC	4,982,000	1.750	08/28/2015	5,047,364	11/26/2019	1,151	1.430	5,093,248	3135GOZV2	26246	5,030,552
Federal Farm Credit	UBOC	4,285,000	1.440	07/20/2016	4,280,715	01/19/2021	1,571	1.463	4,279,729	3133EGMP7	26356	4,280,903
Federal Home Loan Ba	UBOC	16,720,000	1.400	07/19/2016	16,711,640	01/19/2021	1,571	1.411	16,698,766	3130A8P80	26354	16,712,012



Northern California Power Agency
Treasurer's Report

09/30/2016

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 National Mtg	UBOC	5,162,000	1.625	05/25/2016	5,162,000	05/25/2021	1,697	1.625	5,162,878	3136G3NL5	26332	5,162,000
Federal National Mtg	UBOC	1,300,000	1.500	08/30/2016	1,300,000	05/28/2021	1,700	1.500	1,299,545	3136G33W3	26368	1,300,000
Federal Farm Credit	UBOC	10,629,000	1.690	06/02/2016	10,629,000	06/02/2021	1,705	1.690	10,646,750	3133EGDH5	26335	10,629,000
Fund Total and Average		\$ 75,933,664	1.207		\$ 76,024,550		984	1.177	\$ 76,136,977			\$ 75,991,557
GRAND TOTALS:		\$ 163,842,173	1.008		\$ 164,080,645		742	0.970	\$ 164,317,454			\$ 163,993,032

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

Current Market Value is based on prices from Trustee/ Custodian Statements or bid prices from the Wall Street Journal as of 09/30/2016

Investment #26223 - FHLMC - Callable on 4/27/2017 Only.
Investment #26330 - FNMA - Callable quarterly.
Investment #26331 - FHLMC - Callable quarterly.
Investment #26332 - FNMA - Callable quarterly.
Investment #26335 - FFCB - Callable 6/2/17, then anytime
Investment #26354 - FHLB - Callable 10/19/16, then anytime
Investment #26355 - FHLB - Callable 10/19/16, then anytime
Investment #26356 - FFCB - Callable 10/19/16, then anytime
Investment #26357 - FNMA - Callable quarterly.
Investment #26368 - FNMA - Callable 2/28/17, then quarterly.



Northern California Power Agency
Treasurer's Report
09/30/2016

GEO 2012 Construction Fund

Issuer	Trustee / Custodian	Stated Value	Interest Rate	Purchase Date	Purchased Price	Maturity Date	Days to Maturity	Bond* Equiv Yield	Market Value	CUSIP	Investment #	Carrying Value
Federal Home Loan Ba	USB	870,000	0.875	05/27/2016	871,305	05/24/2017	235	0.722	871,966	3130A1NN4	26334	870,852
Fund Total and Average		\$ 870,000	0.875		\$ 871,305		235	0.723	\$ 871,966			\$ 870,852

Geothermal Debt Service

Federal Home Loan Ba	USBT	303,000	0.400	07/28/2016	302,478	12/30/2016	90	0.406	302,806	313384V30	26347	302,697
Federal Home Loan Ba	USBT	303,000	0.300	08/29/2016	302,689	12/30/2016	90	0.304	302,806	313384V30	26360	302,773
Fund Total and Average		\$ 606,000	0.350		\$ 605,167		90	0.355	\$ 605,612			\$ 605,470

Geo 2012A Debt Service

Federal Home Loan Ba	USBT	124,000	0.400	07/28/2016	123,786	12/30/2016	90	0.406	123,921	313384V30	26348	123,876
Federal Home Loan Ba	USBT	124,000	0.300	08/29/2016	123,873	12/30/2016	90	0.304	123,921	313384V30	26361	123,907
Fund Total and Average		\$ 248,000	0.350		\$ 247,659		90	0.355	\$ 247,842			\$ 247,783

Geothermal Special Reserve

Local Agency Investim	LAIF	0	0.356	07/01/2013	0		1	0.356	0	SYST0032	70032	0
Union Bank of Calif	UBOC	0	0.002	07/01/2013	0		1	0.002	0	SYST0015	70015	0
US Bank	USB	0	0.000	07/01/2013	0		1	0.000	0	SYST0063	70063	0
Federal Home Loan Mt	UBOC	1,500,000	1.150	02/26/2016	1,500,000	11/26/2018	786	1.150	1,500,045	3134G8KVO	26302	1,500,000
Fund Total and Average		\$ 1,500,000	1.150		\$ 1,500,000		786	1.150	\$ 1,500,045			\$ 1,500,000

Geo Decommissioning Reserve

Local Agency Investim	LAIF	4,120,303	0.545	07/01/2013	4,120,303		1	0.545	4,120,303	SYST0027	70027	4,120,303
Union Bank of Calif	UBOC	14	0.002	07/01/2013	14		1	0.002	14	SYST0034	70034	14
US Bank	USB	0	0.000	07/01/2013	0		1	0.000	0	SYST0059	70059	0
Federal Home Loan Mt	UBOC	865,000	0.625	12/20/2012	865,000	12/05/2016	65	0.624	865,407	3134G3Z37	25946	865,000
Federal National Mtg	UBOC	9,700,000	1.500	08/30/2016	9,700,000	05/28/2021	1,700	1.500	9,696,605	3136G33W3	26369	9,700,000
Fund Total and Average		\$ 14,685,317	1.181		\$ 14,685,317		1127	1.181	\$ 14,682,329			\$ 14,685,317

GEO Debt Service Reserve Acct

Federal Home Loan Mt	USBT	1,109,000	1.750	06/02/2015	1,125,979	05/30/2019	971	1.354	1,132,156	3137EADG1	26228	1,120,323
Federal Home Loan Mt	USBT	2,515,000	1.250	02/27/2015	2,483,839	10/02/2019	1,096	1.530	2,532,756	3137EADW8	26197	2,494,647



Northern California Power Agency
Treasurer's Report

09/30/2016

GEO Debt Service Reserve Acct

Issuer	Trustee / Custodian	Stated Value	Interest Rate	Purchase Date	Purchased Price	Maturity Date	Days to Maturity	Bond* Equiv Yield	Market Value	CUSIP	Investment #	Carrying Value
Fund Total and Average		\$ 3,624,000	1.405		\$ 3,609,818		1057	1.476	\$ 3,664,912			\$ 3,614,970

Geo 2012A DSR Account

Federal National Mtg	USBT	1,517,000	1.625	05/25/2016	1,517,000	05/25/2021	1,697	1.625	1,517,258	3136G3NL5	26333	1,517,000
Fund Total and Average		\$ 1,517,000	1.625		\$ 1,517,000		1697	1.625	\$ 1,517,258			\$ 1,517,000
GRAND TOTALS:		\$ 23,050,317	1.201		\$ 23,036,266		1059	1.206	\$ 23,089,964			\$ 23,041,392

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

Current Market Value is based on prices from Trustee/ Custodian Statements or bid prices from the Wall Street Journal as of 09/30/2016
Investment #26302 - FHL MC - Callable quarterly.
Investment #26333 - FNMA - Callable quarterly.
Investment #26369 - FNMA - Callable 2/28/17, then quarterly.



Northern California Power Agency
Treasurer's Report
09/30/2016

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	470,000	0.399	08/29/2016	469,185	02/01/2017	123	0.406	469,478	3133858BH8	26363	469,358
Federal National Mtg	USBT	143,000	0.440	07/28/2016	142,671	02/01/2017	123	0.447	142,841	3135898H5	26349	142,785
Fund Total and Average		\$ 613,000	0.409		\$ 611,856		123	0.416	\$ 612,319			\$ 612,143

Cap. Fac. Debt Svc Reserve

Federal National Mtg	USB	71,000	1.530	07/28/2016	71,000	07/28/2021	1,761	1.530	70,671	313633S97	26358	71,000
Federal Home Loan Mt	USB	1,443,000	2.375	02/13/2012	1,447,430	01/13/2022	1,930	2.340	1,519,537	3137EADB2	25845	1,445,360
Fund Total and Average		\$ 1,514,000	2.335		\$ 1,518,430		1922	2.302	\$ 1,590,208			\$ 1,516,360
GRAND TOTALS:		\$ 2,127,000	1.782		\$ 2,130,286		1405	1.760	\$ 2,202,527.			\$ 2,128,503

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

Current Market Value is based on prices from Trustee/ Custodian Statements or bid prices from the Wall Street Journal as of 09/30/2016 Investment #26358 -- FNMA - Callable on 7/28/17, then quarterly.



Northern California Power Agency
Treasurer's Report
09/30/2016

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	2,372,525	0.545	07/01/2013	2,372,525		1	0.545	2,372,525	SYST0028	70028	2,372,525
Union Bank of Calito	UBOC	0	0.002	07/01/2013	0		1	0.002	0	SYST0031	70031	0
US Bank	USB	0	0.000	07/01/2013	0		1	0.000	0	SYST0052	70052	0
Federal Home Loan Mt	UBOC	3,993,000	0.950	06/29/2016	3,993,000	06/29/2018	636	0.950	3,993,399	3134G9A80	26339	3,993,000
Federal Home Loan Mt	UBOC	3,221,000	1.150	02/29/2016	3,221,000	11/26/2018	786	1.150	3,221,097	3134G8KVO	26304	3,221,000
Federal National Mtg	UBOC	5,320,000	1.350	06/30/2016	5,320,000	12/30/2019	1,185	1.350	5,321,543	3136G3VH5	26340	5,320,000
Fund Total and Average		\$ 14,906,525	1.072		\$ 14,906,525		763	1.072	\$ 14,908,564			\$ 14,906,525

Hydro Initial Facilities

Federal National Mtg	USB	1,529,000	1.625	12/12/2014	1,539,244	11/27/2018	787	1.450	1,553,693	3135GOYT4	26189	1,534,579
Federal Farm Credit	USB	2,437,000	1.250	02/02/2016	2,450,501	01/22/2019	843	1.060	2,457,276	3133EFVQ7	26300	2,447,485
Fund Total and Average		\$ 3,966,000	1.395		\$ 3,989,745		821	1.210	\$ 4,010,969			\$ 3,982,064

Hydro Debt Service

Federal Home Loan Ba	USBT	2,957,000	0.400	07/28/2016	2,951,907	12/30/2016	90	0.406	2,955,108	313384V30	26346	2,954,043
Federal Home Loan Ba	USBT	2,941,000	0.300	08/29/2016	2,937,985	12/30/2016	90	0.304	2,939,118	313384V30	26362	2,938,794
Fund Total and Average		\$ 5,898,000	0.350		\$ 5,889,892		90	0.355	\$ 5,894,226			\$ 5,892,837

Hydro Debt Service Resrv 2010A

Federal Farm Credit	USB	5,528,000	1.750	08/28/2015	5,546,187	08/04/2020	1,403	1.680	5,645,746	3133EE5Z9	26243	5,542,163
Fund Total and Average		\$ 5,528,000	1.750		\$ 5,546,187		1403	1.680	\$ 5,645,746			\$ 5,542,163

Hydro 2012A Rebate Account

Federal Home Loan Mt	USB	651,000	1.000	02/09/2012	649,392	03/08/2017	158	1.050	652,497	3137EADCO	25853	650,862
Fund Total and Average		\$ 651,000	1.000		\$ 649,392		158	1.050	\$ 652,497			\$ 650,862

Hydro Special Reserve

Local Agency Investm	LAIF	0	0.377	07/01/2013	0		1	0.377	0	SYST70000	70003	0
Local Agency Investm	LAIF	0	0.356	07/01/2013	0		1	0.356	0	SYST70033	70033	0
Union Bank of Calito	UBOC	0	0.002	07/01/2013	0		1	0.002	0	SYST70016	70016	0
US Bank	USB	0	0.000	07/01/2013	0		1	0.000	0	SYST70064	70064	0



09/30/2016

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
Federal Home Loan Mt	UBOC	1,500,000	1.150	02/26/2016	1,500,000	11/26/2018	786	1.150	1,500,045	313438KVO	26303	1,500,000
Fund Total and Average		\$ 1,500,000	1.150		\$ 1,500,000		786	1.150	\$ 1,500,045			\$ 1,500,000

Hydro 2012 DSRA

Federal Farm Credit	USB	100,000	1.750	08/28/2015	100,329	08/04/2020	1,403	1.680	102,130	3133EE5Z9	26244	100,256
Federal National Mtg	USB	94,000	1.530	07/28/2016	94,000	07/28/2021	1,761	1.530	93,564	3136G3S97	26359	94,000
Federal Home Loan Mt	USB	3,928,000	2.375	02/09/2012	3,926,232	01/13/2022	1,930	2.380	4,136,341	3137EADB2	25852	3,927,059
Fund Total and Average		\$ 4,122,000	2.341		\$ 4,120,561		1913	2.344	\$ 4,332,035			\$ 4,121,315

GRAND TOTALS:		\$ 36,571,525	1.238		\$ 36,602,302		878	1.210	\$ 36,944,082			\$ 36,595,766
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*Bond Equivalent Yield to Maturity is shown based on a 365 day year to provide a basis for comparison between all types. Investments with less than 6 months to maturity use an approximate method, all others use an exact method.

Current Market Value is based on prices from Trustee/ Custodian Statements or bid prices from the Wall Street Journal as of 09/30/2016

Investment #26303 - FHLMC - Callable quarterly.
Investment #26339 - FHLMC - Callable quarterly.
Investment #26340 - FNMA - Callable quarterly.
Investment #26359 - FNMA - Callable on 7/28/17, then quarterly.



Northern California Power Agency
Treasurer's Report

09/30/2016

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		71,311	0.545	07/01/2013	71,311		1	0.545	71,311	SYS70046	70046	71,311
Fund Total and Average		\$ 71,311	0.546		\$ 71,311		1	0.546	\$ 71,311			\$ 71,311

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	0.254		\$	1		\$

LEC Issue#1 2010A DS Fund

US Bank Trust	USB	693,559	0.100	07/01/2013	693,559		1	0.100	693,559	SYS79003	79003	693,559
Federal Home Loan Ba	USBT	694,000	0.370	07/28/2016	693,101	12/01/2016	61	0.375	693,704	313384R68	26350	693,565
Federal Home Loan Ba	USBT	695,000	0.309	08/29/2016	694,437	12/01/2016	61	0.314	694,704	313384R68	26364	694,635
Federal National Mtg	USBT	694,000	0.340	07/11/2016	693,063	12/01/2016	61	0.345	693,702	313588R64	26342	693,600
Fund Total and Average		\$ 2,776,559	0.280		\$ 2,774,160		46	0.284	\$ 2,775,689			\$ 2,775,359

LEC Issue #1 2010B DS Fund

US Bank Trust	USB	725,046	0.100	07/01/2013	725,046		1	0.100	725,046	SYS79004	79004	725,046
Federal Home Loan Ba	USBT	726,000	0.370	07/28/2016	725,080	12/01/2016	61	0.375	725,691	313384R68	26351	725,545
Federal Home Loan Ba	USBT	725,000	0.310	08/29/2016	724,413	12/01/2016	61	0.314	724,691	313384R68	26365	724,619
Federal National Mtg	USBT	727,000	0.339	07/11/2016	726,018	12/01/2016	61	0.345	726,687	313588R64	26343	726,581
Fund Total and Average		\$ 2,903,046	0.280		\$ 2,900,537		46	0.284	\$ 2,902,115			\$ 2,901,791

LEC Issue #2 2010A DS Fund

US Bank Trust	USB	434,769	0.100	07/01/2013	434,769		1	0.100	434,769	SYS79011	79011	434,769
Federal Home Loan Ba	USBT	435,000	0.370	07/28/2016	434,437	12/01/2016	61	0.375	434,815	313384R68	26352	434,727
Federal Home Loan Ba	USBT	434,000	0.309	08/29/2016	433,649	12/01/2016	61	0.314	433,815	313384R68	26366	433,772
Federal National Mtg	USBT	434,000	0.340	07/11/2016	433,414	12/01/2016	61	0.345	433,813	313588R64	26344	433,750
Fund Total and Average		\$ 1,737,769	0.280		\$ 1,736,269		46	0.284	\$ 1,737,212			\$ 1,737,018

LEC Issue #2 2010B DS Fund

US Bank Trust	USB	348,984	0.100	07/01/2013	348,984		1	0.100	348,984	SYS79012	79012	348,984
Federal Home Loan Ba	USBT	349,000	0.370	07/28/2016	348,548	12/01/2016	61	0.375	348,851	313384R68	26353	348,781



Northern California Power Agency
Treasurer's Report

09/30/2016

LEC Issue #2 2010B DS Fund

Issuer	Trustee / Custodian	Stated Value	Interest Rate	Purchase Date	Purchased Price	Maturity Date	Days to Maturity	Bond* Equiv Yield	CUSIP	Investment #	Carrying Value
Federal Home Loan Ba	USBT	348,000	0.309	08/29/2016	347,718	12/01/2016	61	0.314	313394R68	26367	347,817
Federal National Mtg	USBT	349,000	0.340	07/11/2016	348,529	12/01/2016	61	0.345	313588R64	26345	348,799
Fund Total and Average		\$ 1,394,984	0.280		\$ 1,393,779		46	0.284			\$ 1,394,381

LEC Issue #1 2010 DSR Fund

US Bank Trust	USB	59,077	0.100	07/01/2013	59,077		1	0.100	59,077 SYST9005	79005	59,077
Federal National Mtg	USB	4,170,000	0.875	05/30/2014	4,171,960	08/28/2017	331	0.977	4,177,923 3135GOMZ3	26136	4,170,549
Federal Farm Credit	USB	4,360,000	1.660	06/08/2016	4,360,000	05/25/2021	1,697	1.659	4,370,420 3133EGBZ7	26337	4,360,000
Fund Total and Average		\$ 8,589,077	1.268		\$ 8,591,037		1022	1.318	\$ 8,607,420		\$ 8,589,626

LEC Iss#1 2010B BABS Subs Resv

US Bank Trust	USB	2,262,845	0.100	07/01/2013	2,262,845		1	0.100	2,262,845 SYST9006	79006	2,262,845
Fund Total and Average		\$ 2,262,845	0.100		\$ 2,262,845		1	0.100	\$ 2,262,845		\$ 2,262,845

LEC Issue #2 2010B DSR BABS

US Bank Trust	USB	1,087,350	0.100	07/01/2013	1,087,350		1	0.100	1,087,350 SYST9013	79013	1,087,350
Fund Total and Average		\$ 1,087,350	0.100		\$ 1,087,350		1	0.100	\$ 1,087,350		\$ 1,087,350

LEC O & M Reserve

Local Agency Investm	UBOC	1,968,824	0.545	07/01/2013	1,968,824		1	0.545	1,968,824 SYST0047	70047	1,968,824
Union Bank of Califo	UBOC	8,533	0.002	07/18/2013	8,533		1	0.002	8,533 SYST0041	70041	8,533
Federal Home Loan Ba	UBOC	3,100,000	0.625	06/27/2016	3,099,380	06/27/2017	269	0.645	3,099,783 3130ABLC5	26338	3,099,542
Federal National Mtg	UBOC	2,933,000	1.875	08/28/2015	2,998,142	02/19/2019	871	1.220	2,998,523 3135G0ZA4	26248	2,977,678
Federal National Mtg	UBOC	3,000,000	1.300	06/30/2016	3,000,000	06/30/2020	1,368	1.300	2,997,540 3136G3UJ2	26341	3,000,000
Fund Total and Average		\$ 11,010,357	1.130		\$ 11,074,879		681	0.960	\$ 11,073,203		\$ 11,054,577
GRAND TOTALS:		\$ 31,833,299	0.823		\$ 31,892,168		525	0.778	\$ 31,911,663		\$ 31,874,259

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

Current Market Value is based on prices from Trustee/ Custodian Statements or bid prices from the Wall Street Journal as of 09/30/2016

Investment # 26337 - FFCB - Callable on 5/25/17, then any time.
Investment # 26341 - FNMA - Callable on 6/30/17 only.



11

Commission Staff Report

October 20, 2016

COMMISSION MEETING DATE: October 27, 2016

SUBJECT: September 2016 Financial Report (Unaudited)

AGENDA CATEGORY: Consent

FROM:	Sondra Ainsworth	<i>SA</i>	METHOD OF SELECTION:
	Treasurer-Controller		N/A.
Division:	Administrative Services		
Department:	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"/>

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

RECOMMENDATION:

Approval by all members.

NOTICE:

The disbursements of the Northern California Power Agency for the month reported herein, will be approved at the October 27, 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 September 2016 financial reports are also included.

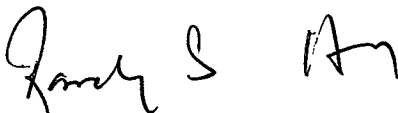
FISCAL IMPACT:

This report has no direct budget impact to the Agency.

ENVIRONMENTAL ANALYSIS:

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

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

Attachments: (1)

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

**Schedule of Disbursements
(Unaudited)**

For the Month of September 2016

Operations:

Geothermal	\$ 1,137,848
Hydroelectric	3,211,095
CT#1 Combustion Turbines	128,041
CT#2 STIG	507,908
Lodi Energy Center	3,101,632
NCPA Operating	<u>21,609,710</u>
Total	<u>\$ 29,696,234</u>

NORTHERN CALIFORNIA POWER AGENCY
REPORT OF BUDGET VS. ACTUAL COST
FOR THE PERIOD ENDED SEPTEMBER 30, 2016

PERCENT OF YEAR ELAPSED 25%

	This Month	Actual Year To-Date	FY 2017 Budget	% Used
<u>GENERATION RESOURCES</u>				
NCPA Plants				
Hydroelectric				
Other Plant Cost	\$ 993,729	\$ 2,421,359	\$ 13,601,891	18%
Debt Service (Net)	3,187,715	9,563,144	38,252,575	25%
Annual Budget Cost	4,181,444	11,984,503	51,854,466	23%
Geothermal				
Other Plant Cost	2,336,588	5,695,499	28,035,560	20%
Debt Service (Net)	425,812	1,277,436	5,109,745	25%
Annual Budget Cost	2,762,400	6,972,935	33,145,305	21%
Combustion Turbine No. 1	262,510	713,793	2,648,330	27%
Combustion Turbine No. 2 (Stig)				
Fuel and Pipeline Transport Charges	68,095	219,115	936,070	23%
Other Plant Cost	256,177	569,547	2,025,600	28%
Debt Service (Net)	468,797	1,406,392	5,625,568	25%
Annual Budget Cost	793,069	2,195,054	8,587,238	26%
Lodi Energy Center				
Fuel	870,844	3,601,003	44,100,578	8%
Other Plant Cost	1,600,132	3,824,630	22,453,402	17%
Debt Service (Net)	2,203,104	6,599,278	26,437,261	25%
Annual Budget Cost	4,674,080	14,024,911	92,991,241	15%
Member Resources - Energy	4,080,093	11,752,811	45,637,694	26%
Member Resources - Natural Gas	501,863	1,360,189	4,877,728	28%
Western Resources	2,125,795	7,559,709	30,288,301	25%
Market Power Purchases	1,921,183	6,133,729	39,302,363	16%
Load Aggregation Costs - CAISO	19,168,876	32,454,984	240,128,621	14%
Net GHG Obligations	-	534,660	2,539,910	21%
	40,471,313	95,687,278	552,001,197	17%
<u>TRANSMISSION</u>				
Independent System Operator				
Grid Management Charge	329,736	939,288	3,799,908	25%
Wheeling Access Charge	7,428,348	21,107,321	74,972,258	28%
Ancillary Services	75,440	670,263	1,421,202	47% (a)
Other Charges	815,168	815,168	807,975	101% (b)
	8,648,692	23,532,040	81,001,343	29%

NORTHERN CALIFORNIA POWER AGENCY
REPORT OF BUDGET VS. ACTUAL COST
FOR THE PERIOD ENDED SEPTEMBER 30, 2016

PERCENT OF YEAR ELAPSED 25%

	This Month	Actual Year To-Date	FY 2017 Budget	% Used	
MANAGEMENT SERVICES					
Legislative & Regulatory					
Legislative Representation	142,992	343,221	1,896,810	18%	
Regulatory Representation	54,783	176,543	794,328	22%	
Western Representation	60,804	126,505	816,695	15%	
Member Support Services	40,634	83,472	432,215	19%	
Judicial Action	-	24,220	625,000	4%	
Power Management					
System Control & Load Dispatch	558,442	1,182,667	5,621,941	21%	
Forecasting, Planning, Prescheduling & Trading	213,189	463,725	2,554,949	18%	
Industry Restructuring & Regulatory Affairs	31,862	63,945	414,128	15%	
Contract Admin, Interconnection Svcs & External Affairs	97,976	202,418	1,136,523	18%	
Green Power Project	261	459	17,782	3%	
Gas Purchase Program	6,625	13,506	86,550	16%	
Market Purchase Project	8,904	18,962	127,856	15%	
Energy Risk Management	15,871	35,725	211,925	17%	
Settlements	61,706	106,290	861,558	12%	
Integrated Systems Support	3,760	68,944	310,532	22%	
Participant Pass Through Costs	31,661	105,904	1,417,039	7%	
Shared Services Pass Through	-	-	-	N/A	
Prospective Member	-	-	-	N/A	
	1,329,470	3,016,506	17,325,831	17%	
TOTAL ANNUAL BUDGET COST	50,449,475	122,235,824	650,328,371	19%	
LESS: THIRD PARTY REVENUE					
Plant ISO Energy Sales	4,395,121	15,463,467	118,942,685	13%	(c)
Load Aggregation Energy Sales	9,168,333	17,446,708	184,116,660	9%	(d)
Ancillary Services Sales	286,157	1,099,866	3,790,032	29%	
Transmission Sales	9,198	27,594	110,376	25%	
Western Credits, Interest and Other Income	887,096	8,217,724	14,810,642	55%	
	14,745,905	42,255,359	321,770,395	13%	
NET ANNUAL BUDGET COST TO PARTICIPANTS	\$ 35,703,570	\$ 79,980,465	\$ 328,557,976	24%	

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

(b) Amount represents higher than anticipated imbalance costs.

(c) Variance due to lower than anticipated ISO energy sales for the Lodi Energy Center (LEC). Power values in the CAISO markets remain low, especially in comparison to rising natural gas and transportation prices. As a result, LEC is at 30% of budgeted generation at 9/30/16.

(d) Market prices down due to increased hydro and solar generation availability in the CAISO markets.

COMBINED STATEMENTS OF NET POSITION

NORTHERN CALIFORNIA POWER AGENCY AND ASSOCIATED POWER CORPORATIONS

UNAUDITED

	September 30,	
	2016	2015
	(in thousands)	
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 38,040	\$ 49,386
Investments	29,751	29,087
Accounts receivable		
Participants	-	9
Other	469	1,726
Interest receivable	251	204
Inventory and supplies - at average cost	9,212	8,245
Prepaid expenses	167	86
TOTAL CURRENT ASSETS	77,890	88,743
RESTRICTED ASSETS		
Cash and cash equivalents	45,065	36,349
Investments	150,544	153,195
Interest receivable	454	338
TOTAL RESTRICTED ASSETS	196,063	189,882
ELECTRIC PLANT		
Electric plant in service	1,500,901	1,500,361
Less: accumulated depreciation	(919,658)	(889,096)
	581,243	611,265
Construction work-in-progress	243	64
TOTAL ELECTRIC PLANT	581,486	611,329
OTHER ASSETS		
Regulatory assets	248,865	252,068
Unused vendor credits	44	-
TOTAL OTHER ASSETS	248,909	252,068
TOTAL ASSETS	1,104,348	1,142,022
DEFERRED OUTFLOWS OF RESOURCES		
Excess cost on refunding of debt	52,330	60,173
Pension contribution	9,093	5,310
TOTAL DEFERRED OUTFLOWS OF RESOURCES	61,423	65,483
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 1,165,771	\$ 1,207,505

COMBINED STATEMENTS OF NET POSITION

NORTHERN CALIFORNIA POWER AGENCY AND ASSOCIATED POWER CORPORATIONS

UNAUDITED

	September 30,	
	2016	2015
	(in thousands)	
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 23,157	\$ 18,679
Member advances	993	993
Operating reserves	19,140	22,453
Current portion of long-term debt	39,440	37,390
Accrued interest payable	10,260	10,737
TOTAL CURRENT LIABILITIES	92,990	90,252
NON-CURRENT LIABILITIES		
Net pension liability	57,774	57,260
Operating reserves and other deposits	133,735	129,155
Interest rate swap liability	23,260	20,657
Long-term debt, net	747,572	788,985
TOTAL NON-CURRENT LIABILITIES	962,341	996,057
TOTAL LIABILITIES	1,055,331	1,086,309
DEFERRED INFLOWS OF RESOURCES		
Regulatory credits	73,112	75,210
Pension earnings	6,599	4,947
TOTAL DEFERRED INFLOWS OF RESOURCES	79,711	80,157
NET POSITION		
Net investment in capital assets	(45,101)	(44,618)
Restricted	53,493	49,418
Unrestricted	22,337	36,239
TOTAL NET POSITION	30,729	41,039
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 1,165,771	\$ 1,207,505

COMBINED STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION

NORTHERN CALIFORNIA POWER AGENCY
AND ASSOCIATED POWER CORPORATIONS

UNAUDITED

	Three Months Ended September 30,	
	2016	2015
	(in thousands)	
SALES FOR RESALE		
Participants	\$ 84,275	\$ 89,997
Other Third-Party	44,865	55,659
TOTAL SALES FOR RESALE	129,140	145,656
OPERATING EXPENSES		
Purchased power	66,979	67,048
Operations	13,232	19,567
Transmission	25,040	21,776
Depreciation	7,681	7,684
Maintenance expenses	3,154	3,991
Administrative and general	3,695	3,788
TOTAL OPERATING EXPENSES	119,781	123,854
NET OPERATING REVENUES	9,359	21,802
OTHER (EXPENSES) REVENUES		
Interest expense	(11,589)	(14,980)
Interest income	(565)	502
Other	6,269	1,751
TOTAL OTHER EXPENSES	(5,885)	(12,727)
FUTURE RECOVERABLE AMOUNTS	(654)	2,408
REFUNDS TO PARTICIPANTS	(54)	(434)
INCREASE (DECREASE) IN NET POSITION	2,766	11,049
NET POSITION, Beginning of year	27,963	29,990
NET POSITION, Period ended	\$ 30,729	\$ 41,039

OTHER FINANCIAL INFORMATION

COMBINING STATEMENT OF NET POSITION

NORTHERN CALIFORNIA POWER AGENCY

AND ASSOCIATED POWER CORPORATIONS

(000's omitted)

September 30, 2016

GENERATING & TRANSMISSION RESOURCES												
Geothermal	Hydroelectric	Multiple Capital Facilities	CT No. One	Loft Energy Center	Transmission No. One	Purchased Power & Transmission	Associated Member Services	Other Agency	Combined			
\$	1	\$	1	\$	1	\$	48	\$	37,223	\$	29,751	\$
Cash and cash equivalents	-	-	-	-	-	-	-	-	29,751	-	-	29,751
Investments	-	-	-	-	-	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	-	-	-	-	-	-
Participants	-	-	-	-	-	-	-	-	-	-	-	-
Others	19	-	-	-	-	-	-	-	6	-	-	469
Interest receivable	-	-	-	-	-	-	-	-	141	-	-	251
Inventory and supplies - at average cost	4,240	1,079	642	1,402	1	-	-	-	-	-	-	9,212
Prepaid expenses	-	17	8	-	-	-	-	-	141	-	-	167
Due from Agency and other programs*	17,664	13,079	2,071	(917)	-	10,247	6,756	(62,446)	-	-	-	-
TOTAL CURRENT ASSETS	21,924	14,175	2,722	487	-	11,471	6,804	4,816	77,890	-	-	-
RESTRICTED ASSETS												
Cash and cash equivalents	4,603	5,478	470	-	-	3,260	-	23,623	45,065	-	-	-
Investments	18,921	34,223	2,129	-	-	18,688	-	52,369	150,544	-	-	-
Interest receivable	58	101	8	-	-	-	-	258	454	-	-	-
TOTAL RESTRICTED ASSETS	23,582	39,802	2,607	-	-	21,948	-	76,250	196,063	-	-	-
ELECTRIC PLANT												
Electric plant in service	568,730	393,936	64,825	-	-	-	594	5,276	1,500,001	-	-	-
Less: accumulated depreciation	(529,059)	(245,367)	(44,497)	(34,161)	(7,735)	-	(330)	(2,523)	(919,658)	-	-	-
Construction work-in-progress	39,671	148,569	20,328	2,084	1	-	264	2,753	581,243	-	-	-
TOTAL ELECTRIC PLANT	128	-	-	-	-	-	-	13	243	-	-	-
	39,799	148,569	20,328	2,084	1	-	264	2,766	581,486	-	-	-
OTHER ASSETS												
Regulatory assets	1,498	158,546	12,675	-	-	-	-	-	56,366	-	-	-
Unused vendor credits	44	-	-	-	-	-	-	-	-	-	-	-
TOTAL OTHER ASSETS	1,542	158,546	12,675	-	-	-	-	-	56,366	-	-	-
TOTAL ASSETS	86,847	361,092	38,332	2,571	-	33,419	7,068	140,198	1,104,348	-	-	-
DEFERRED OUTFLOWS OF RESOURCES												
Excess cost on refunding of debt	-	50,124	2,206	-	-	-	-	-	-	-	-	-
Pension contribution	-	-	-	-	-	-	-	-	9,093	-	-	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	-	50,124	2,206	-	-	-	-	-	9,093	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 86,847	\$ 411,216	\$ 40,538	\$ 2,571	\$ 434,821	\$ -	\$ 7,068	\$ 149,291	\$ 1,165,771	-	-	-

* Eliminated in Combination

OTHER FINANCIAL INFORMATION

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

September 30, 2016

GENERATING & TRANSMISSION RESOURCES										
	Geothermal	Hydroelectric	Multiple Capital Facilities	CT No. One	Lodi Energy Center	Transmission	Purchased Power & Transmission	Associated Member Services	Other Agency	Combined
CURRENT LIABILITIES										
Accounts payable	\$ 48	\$ 260	\$ -	\$ -	\$ 889	\$ -	\$ 18,155	\$ -	\$ 3,805	\$ 23,157
Member advances	791	-	-	-	-	-	-	202	-	993
Operating reserves	6,213	250	645	250	11,782	-	-	-	-	19,140
Current portion of long-term debt	4,345	21,385	3,760	-	9,950	-	-	-	-	39,440
Accrued interest payable	349	4,136	301	-	5,474	-	-	-	-	10,260
TOTAL CURRENT LIABILITIES	11,746	26,031	4,706	250	28,095	-	18,155	202	3,805	92,990
NON-CURRENT LIABILITIES										
Net pension liability	-	-	-	-	-	-	-	-	57,774	57,774
Operating reserves and other deposits	16,205	14,950	-	-	1,715	-	22,033	2,255	76,577	133,735
Interest rate swap liability	-	23,260	-	-	-	-	-	-	-	23,260
Long-term debt, net	27,303	334,055	34,548	-	351,666	-	-	-	-	747,572
TOTAL NON-CURRENT LIABILITIES	43,508	372,265	34,548	-	353,381	-	22,033	2,255	134,351	962,341
TOTAL LIABILITIES	55,254	398,296	39,254	250	381,476	-	40,188	2,457	138,156	1,055,331
DEFERRED INFLOWS OF RESOURCES										
Regulatory credits	20,022	3,757	1,036	2,212	42,947	-	-	264	2,874	73,112
Pension earnings	-	-	-	-	-	-	-	-	6,599	6,599
TOTAL DEFERRED INFLOWS OF RESOURCES	20,022	3,757	1,036	2,212	42,947	-	-	264	9,473	79,711
NET POSITION										
Net investment in capital assets	(5,262)	(19,722)	(4,107)	-	(16,010)	-	-	-	-	(45,101)
Restricted	6,157	31,655	2,305	-	13,703	-	-	-	(327)	53,493
Unrestricted	10,676	(2,770)	2,050	109	12,705	-	(6,769)	4,347	1,989	22,337
TOTAL NET POSITION	11,571	9,163	248	109	10,398	-	(6,769)	4,347	1,662	30,729
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 86,847	\$ 411,216	\$ 40,538	\$ 2,571	\$ 424,821	\$ -	\$ 33,419	\$ 7,068	\$ 149,291	\$ 1,165,771

OTHER FINANCIAL INFORMATION

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

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

For the Three Months Ended September 30, 2016

	GENERATING & TRANSMISSION RESOURCES										
	Geothermal	Hydroelectric	Multiple Capital Facilities	CT No. One	Lodi Energy Center	Transmission	Purchased Power & Transmission	Associated Member Services	Other Agency	Combined	
SALES FOR RESALE											
Participants	\$ 2,963	\$ 9,627	\$ 1,891	\$ 733	\$ 10,320	\$ -	\$ 55,494	\$ 3,222	\$ 25	\$ 84,275	
Other third-party	7,310	2,653	120	337	6,290	-	28,155	-	-	44,865	
TOTAL SALES FOR RESALE	10,273	12,280	2,011	1,070	16,610	-	83,649	3,222	25	129,140	
OPERATING EXPENSES											
Purchased power	-	-	-	-	622	-	66,357	-	-	66,979	
Operations	3,346	599	327	359	4,940	-	1,360	2,301	-	13,232	
Transmission	193	105	54	65	60	-	24,562	1	-	25,040	
Depreciation	949	2,387	553	45	3,651	4	-	19	73	7,681	
Maintenance expenses	949	871	284	129	902	-	-	19	-	3,154	
Administrative and general	1,096	826	116	137	1,084	-	-	1,213	(777)	3,695	
Intercompany (sales) purchases, net*	(117)	47	12	25	52	-	-	(19)	-	-	
TOTAL OPERATING EXPENSES	6,416	4,835	1,346	760	11,311	4	92,279	3,534	(704)	119,781	
NET OPERATING REVENUES	3,857	7,445	665	310	5,299	(4)	(8,630)	(312)	729	9,359	
OTHER (EXPENSES) REVENUES											
Interest expense	(338)	(6,802)	(471)	-	(3,978)	-	-	-	-	(11,589)	
Interest income	2	(293)	(70)	-	19	-	25	9	(257)	(565)	
Other	290	24	306	-	5,467	-	-	-	182	6,269	
TOTAL OTHER (EXPENSES) REVENUES	(46)	(7,071)	(235)	-	1,508	-	25	9	(75)	(5,885)	
FUTURE RECOVERABLE AMOUNTS	(414)	(466)	(402)	-	624	4	-	-	-	(654)	
REFUNDS TO PARTICIPANTS	25	19	14	(19)	-	-	(148)	24	31	(54)	
INCREASE (DECREASE) IN NET POSITION	3,422	(73)	42	291	7,431	-	(8,753)	(279)	685	2,766	
NET POSITION, Beginning of year	8,149	9,236	206	(182)	2,967	-	1,984	4,626	977	27,963	
NET POSITION, Period ended	\$ 11,571	\$ 9,163	\$ 248	\$ 109	\$ 10,398	\$ -	\$ (6,769)	\$ 4,347	\$ 1,662	\$ 30,729	

* Eliminated in Combination



12

Commission Staff Report

October 11, 2016

COMMISSION MEETING DATE: October 27, 2016

SUBJECT: Final Report on Geothermal 2016A Bond Refunding

AGENDA CATEGORY: Consent

FROM:	Donna Stevener 	METHOD OF SELECTION:
	Asst. General Manager/CFO	N/A
Division:	Administrative Services	
Department:	Accounting & Finance	

IMPACTED MEMBERS:

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 type="checkbox"/>	Port of Oakland	<input 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 checked="" type="checkbox"/>
City of Healdsburg	<input checked="" type="checkbox"/>	City of Santa Clara	<input checked="" type="checkbox"/>		<input type="checkbox"/>

Turlock Irrigation District

RECOMMENDATION:

That the NCPA Commission receive and file this report.

BACKGROUND:

The NCPA Finance Committee, NCPA staff and our financial advisors carefully monitor the bond market for potential opportunities to refinance NCPA bonds for savings. According to the *NCPA Debt and Interest Rate Management Policy*, a target of 5% net present value savings is desired before considering a bond refunding. In June, 2016, a Request for Offers was issued to over 60 banks seeking potential direct placement refunding loans for all NCPA projects. Upon evaluation of the various proposals from 10 different banks, the Finance Committee recommended proceeding with the proposal from Bank of America for the issuance of fixed rate refunding bonds for certain 2009 Geothermal bonds which currently bear interest at 5.0 to 5.50%.

At the September 23, 2016 meeting, the NCPA Commission approved the issuance of up to \$20.0 million in fixed rate refunding bonds to complete this transaction. This transaction was successfully closed on October 6, 2016 with the issuance of \$17.530 million in bonds.

The fixed interest rate on the bonds was 1.67% with final bond maturity in 2024.

Based on closing numbers, savings from this now completed transaction have increased slightly from last month's estimates and final present value savings are \$1.034 million over the next 8 years.

Savings by participant are shown below:

Participant	Percentage	Estimated PV Savings
Alameda	16.8825%	\$ 174,638
Biggs	0.2270%	\$ 2,348
Gridley	0.3360%	\$ 3,476
Healdsburg	3.6740%	\$ 38,005
Lodi	10.2800%	\$ 106,340
Lompoc	3.6810%	\$ 38,077
TID	6.3305%	\$ 65,485
Roseville	7.8830%	\$ 81,544
Santa Clara	44.3905%	\$ 459,190
Ukiah	5.6145%	\$ 58,078
Plumas-Sierra REC	0.7010%	\$ 7,251
Total	100.0000%	\$ 1,034,433

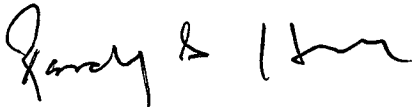
FISCAL IMPACT:

The bond refunding resulted in net present value savings of \$1.034 million for the Geothermal participants. The savings will occur over the next 8 years through 2024 and will be allocated in accordance with project participant percentages as shown above.

ENVIRONMENTAL ANALYSIS:

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

Respectfully submitted,

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

RANDY S. HOWARD
General Manager



Commission Staff Report

October 14, 2016

COMMISSION MEETING DATE: October 27, 2016

SUBJECT: ACCO Engineered Systems, Inc. – Five Year Multi-Task General Services Agreement for HVAC Maintenance Services; Applicable to the following projects: All NCPA Facility Locations, Members, SCPPA, and SCPPA Members

AGENDA CATEGORY: Consent

FROM:	Ken Speer <i>Ken Speer</i>	METHOD OF SELECTION:
	Assistant General Manager	N/A
Division:	Generation Services	
Department:	Combustion Turbines	

IMPACTED MEMBERS:

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

If other, please specify.

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

RECOMMENDATION:

Approve Resolution 16-71 authorizing the General Manager or his designee to enter into a Multi-Task General Services Agreement with ACCO Engineered Systems, Inc. for HVAC maintenance services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$750,000 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:

HVAC maintenance services are needed at various NCPA facility locations as well as member facilities for the operation of the plants. ACCO Engineered Systems, Inc. is a provider of these services.

FISCAL IMPACT:

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.

SELECTION PROCESS:

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

ENVIRONMENTAL ANALYSIS:

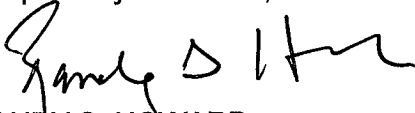
This activity would not result in a direct or reasonably foreseeable indirect change in the physical environment and is therefore not a "project" for purposes of Section 21065 the California Environmental Quality Act. No environmental review is necessary.

COMMITTEE REVIEW:

The recommendation above was reviewed by the Facilities Committee on October 5, 2016 and was recommended for Commission approval.

The recommendation above was reviewed by the Lodi Energy Center Participant Committee on October 10, 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 General Services Agreement with ACCO Engineered Systems, Inc.

RESOLUTION 16-71

RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY APPROVING A MULTI-TASK GENERAL SERVICES AGREEMENT WITH ACCO ENGINEERED SYSTEMS, INC.

(reference Staff Report #202:16)

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

WHEREAS, ACCO Engineered Systems, Inc. is a provider of these services; and

WHEREAS, on October 10, 2016, the LEC Project Participant Committee approved the agreement with ACCO Engineered Systems, Inc. in an amount not-to-exceed \$750,000 over five years; and

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

NOW, THEREFORE BE IT RESOLVED, that the Commission of the Northern California Power Agency authorizes the General Manager or his designee to enter into a Multi-Task General Services Agreement with ACCO Engineered Systems, Inc., with any non-substantial changes as approved by the NCPA General Counsel, which shall not exceed \$750,000 over five years for various HVAC maintenance services at all facilities owned and/or operated by NCPA, its members, by the Southern California Public Power Authority (SCPPA), or by SCPPA members.

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

	<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	_____	_____	_____

BOB LINGL
COMMISSION CHAIR

ATTEST:

CARY A. PADGETT
ASSISTANT SECRETARY



**MULTI-TASK
GENERAL SERVICES AGREEMENT BETWEEN
THE NORTHERN CALIFORNIA POWER AGENCY AND
ACCO ENGINEERED SYSTEMS, INC.**

This agreement for general services ("Agreement") is made by and between the Northern California Power Agency, a joint powers agency with its main office located at 651 Commerce Drive, Roseville, CA 95678-6420 ("Agency") and Acco Engineered Systems, Inc., a corporation with its office located at 6265 San Fernando Road, Glendale, CA 91201 ("Contractor") (together sometimes referred to as the "Parties") as of _____, 2016 ("Effective Date") in Roseville, California.

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

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

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

Section 2. COMPENSATION. Agency hereby agrees to pay Contractor an amount **NOT TO EXCEED SEVEN HUNDRED FIFTY THOUSAND** dollars (\$750,000.00) for the Work, which shall include all fees, costs, expenses and other reimbursables, as set forth in Contractor's fee schedule, attached hereto and incorporated herein as Exhibit B. This dollar amount is not a guarantee that Agency will pay that full amount to the Contractor, but is merely a limit of potential Agency expenditures under this Agreement.

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

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

Invoices shall be sent to:

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

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

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

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

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

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

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

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

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

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

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

- 4.2.3 **General Liability/Umbrella Insurance.** The coverage amounts set forth above may be met by a combination of underlying and umbrella policies as long as in combination the limits equal or exceed those stated.
- 4.3 **Professional Liability Insurance.** [Intentionally omitted]
- 4.4 **Pollution Insurance.** [Intentionally omitted]
- 4.5 **All Policies Requirements.**
- 4.5.1 **Verification of coverage.** Prior to beginning any work under this Agreement, Contractor shall provide Agency with (1) a Certificate of Insurance that demonstrates compliance with all applicable insurance provisions contained herein and (2) policy endorsements to the policies referenced in Section 4.2 and in Section 4.4, if applicable, adding the Agency as an additional insured and declaring such insurance primary in regard to work performed pursuant to this Agreement.
- 4.5.2 **Notice of Reduction in or Cancellation of Coverage.** Contractor shall provide at least thirty (30) days prior written notice to Agency of any reduction in scope or amount, cancellation, or modification adverse to Agency of the policies referenced in Section 4.
- 4.5.3 **Higher Limits.** If Contractor maintains higher limits than the minimums specified herein, the Agency shall be entitled to coverage for the higher limits maintained by the Contractor.
- 4.5.4 **Additional Certificates and Endorsements.** If Contractor performs Work for Agency members, SPPA and/or SPPA members pursuant to this Agreement, Agency shall the right to require Contractor to provide the certificates of insurance and/or policy endorsements, as referenced in Section 4.4.1, naming the specific Agency member, SPPA and/or SPPA member for which the Work is to be performed.
- 4.6 **Waiver of Subrogation.** Contractor agrees to waive subrogation which any insurer of Contractor may acquire from Contractor by virtue of the payment of any loss. Contractor agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of Agency for all work performed by Contractor, its employees, agents and subcontractors.
- 4.7 **Contractor's Obligation.** Contractor shall be solely responsible for ensuring that all equipment, vehicles and other items utilized in the performance of Work are operated, provided or otherwise utilized in a manner that ensures they are and remain covered by

the policies referenced in Section 4 during this Agreement. Contractor shall also ensure that all workers involved in the provision of Work are properly classified as employees, agents or independent contractors and are and remain covered by any and all workers' compensation insurance required by applicable law during this Agreement.

Section 5. INDEMNIFICATION AND CONTRACTOR'S RESPONSIBILITIES.

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

Section 6. STATUS OF CONTRACTOR.

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

Contractor shall indemnify, defend, and hold harmless Agency for the payment of any employee and/or employer contributions for PERS benefits on behalf of Contractor or its employees, agents, or subcontractors, as well as for the payment of any penalties and

interest on such contributions, which would otherwise be the responsibility of Agency. Contractor and Agency acknowledge and agree that compensation paid by Agency to Contractor under this Agreement is based upon Contractor's estimated costs of providing the Work, including salaries and benefits of employees, agents and subcontractors of Contractor.

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

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

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

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

Section 7. LEGAL REQUIREMENTS.

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

California, the Department of Industrial Relations, any subcontractor, any worker or any other third party with regard thereto.

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

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

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

Section 8. TERMINATION AND MODIFICATION.

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

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

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

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

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

- 8.4.1 Immediately terminate the Agreement;
- 8.4.2 Retain the plans, specifications, drawings, reports, design documents, and any other work product prepared by Contractor pursuant to this Agreement;
- 8.4.3 Retain a different Contractor to complete the Work not finished by Contractor; and/or
- 8.4.4 Charge Contractor the difference between the costs to complete the Work that is unfinished at the time of breach and the amount that Agency would have paid Contractor pursuant hereto if Contractor had completed the Work.

Section 9. KEEPING AND STATUS OF RECORDS.

- 9.1 **Records Created as Part of Contractor's Performance.** All reports, data, maps, models, charts, studies, surveys, photographs, memoranda, plans, studies, specifications, records, files, or any other documents or materials, in electronic or any other form, that Contractor prepares or obtains pursuant to this Agreement and that relate to the matters covered hereunder shall be the property of the Agency. Contractor hereby agrees to deliver those documents to the Agency upon termination of the Agreement. Agency and Contractor agree that, unless approved by Agency in writing, Contractor shall not release to any non-parties to this Agreement any data, plans, specifications, reports and other documents.
- 9.2 **Contractor's Books and Records.** Contractor shall maintain any and all records or other documents evidencing or relating to charges for Work or expenditures and disbursements charged to the Agency under this Agreement for a minimum of three (3) years, or for any longer period required by law, from the date of final payment to the Contractor under this Agreement.
- 9.3 **Inspection and Audit of Records.** Any records or documents that this Agreement requires Contractor to maintain shall be made available for inspection, audit, and/or copying at any time during regular business hours, upon oral or written request of the Agency. Under California Government Code Section 8546.7, if the amount of public funds expended under this Agreement exceeds ten thousand dollars (\$10,000.00), the Agreement shall be subject to the examination and audit of the State Auditor, at the request of Agency or as part of any audit of the Agency, for a period of three (3) years after final payment under this Agreement.
- 9.4 **Confidential Information and Disclosure.**
 - 9.4.1 **Confidential Information.** The term "Confidential Information", as used herein, shall mean any and all confidential, proprietary, or trade secret information,

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

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

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

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

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

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

9.4.4 Handling of Confidential Information. Upon conclusion or termination of the Agreement, Receiving Party shall return to Disclosing Party or destroy Confidential Information (including all copies thereof), if requested by Disclosing Party in writing. Notwithstanding the foregoing, the Receiving Party may retain copies of such Confidential Information, subject to the confidentiality provisions of this Agreement: (a) for archival purposes in its computer system; (b) in its legal department files; and (c) in files of Receiving Party's representatives where such

copies are necessary to comply with applicable law. Party shall not disclose the Disclosing Party's Information to any person other than those of the Receiving Party's employees, agents, consultants, contractors and subcontractors who have a need to know in connection with this Agreement.

Section 10. PROJECT SITE.

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

Section 11. WARRANTY.

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

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

- 12.1 Contractor is responsible for acquiring job hazard assessments as necessary to safely perform the Work and provide a copy to Agency upon request.
- 12.2 Contractor is responsible for providing all employee health and safety training and personal protective equipment in accordance with potential hazards that may be encountered in performance of the Work and provide copies of the certified training records upon request by Agency. Contractor shall be responsible for proper maintenance and/or disposal of their personal protective equipment and material handling equipment.
- 12.3 Contractor is responsible for ensuring that its lower-tier subcontractors are aware of and will comply with the requirements set forth herein.
- 12.4 Agency, or its representatives, may periodically monitor the safety performance of the Contractor performing the Work. Contractors and its subcontractors shall be required to comply with the safety and health obligations as established in the Agreement. Non-

compliance with safety, health, or fire requirements may result in cessation of work activities, until items in non-compliance are corrected. It is also expressly acknowledged, understood and agreed that no payment shall be due from Agency to Contractor under this Agreement at any time when, or for any Work performed when, Contractor is not in full compliance with this Section 12.

- 12.5 Contractor shall immediately report any injuries to the Agency site safety representative. Additionally, the Contractor shall investigate and submit to the Agency site safety representative copies of all written accident reports, and coordinate with Agency if further investigation is requested.
- 12.6 Contractor shall take all reasonable steps and precautions to protect the health of its employees and other site personnel with regard to the Work. Contractor shall conduct occupational health monitoring and/or sampling to determine levels of exposure of its employees to hazardous or toxic substances or environmental conditions. Copies of any sampling results will be forwarded to the Agency site safety representative upon request.
- 12.7 Contractor shall develop a plan to properly handle and dispose of any hazardous wastes, if any, Contractor generates in performing the Work.
- 12.8 Contractor shall advise its employees and subcontractors that any employee who jeopardizes his/her safety and health, or the safety and health of others, may be subject to actions including removal from Work.
- 12.9 Contractor shall, at the sole option of the Agency, develop and provide to the Agency a Hazardous Material Spill Response Plan that includes provisions for spill containment and clean-up, emergency contact information including regulatory agencies and spill sampling and analysis procedures. Hazardous Materials shall include diesel fuel used for trucks owned or leased by the Contractor.
- 12.10 If Contractor is providing Work to an Agency Member, SCPPA or SCPPA member (collectively "Member" solely for the purpose of this section) pursuant to Section 1.4 hereof, then that Member shall have the same rights as the Agency under Sections 12.1, 12.2, 12.4, 12.5, and 12.6 hereof.

Section 13. MISCELLANEOUS PROVISIONS.

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

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

ACCO Engineered Systems, Inc.
Attention: Stephen Alwan
9290 Beatty Drive
Sacramento, CA 95826

Any written notice to Agency shall be sent to:

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

With a copy to:

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

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

commenced within thirty (30) days and shall be concluded within fifteen (15) days from the commencement of the mediation.

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

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

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

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

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

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

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

NORTHERN CALIFORNIA POWER AGENCY

ACCO ENGINEERED SYSTEMS, INC.

Date _____

Date _____

RANDY S. HOWARD,
General Manager

MICHAEL POTTS,
Service Branch Manager

Attest:

Assistant Secretary of the Commission

Approved as to Form:

Assistant General Counsel

EXHIBIT A

SCOPE OF WORK

ACCO Engineered Systems, Inc. ("Contractor") shall provide HVAC maintenance services as requested by the Northern California Power Agency ("Agency") at any facilities owned or operated by Agency, its Members, Southern California Public Power Authority (SCPPA) or SCPPA members:

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

- HVAC maintenance
- Swamp Cooler maintenance
- Chiller maintenance

Preventative maintenance services specific to CT facilities to include:

GENERAL

General Operation & condition
Unusual noise & vibration

REFRIGERATION SYSTEM ☒

Align & adjust drives, belts, couplings
Record refrigerant & oil pressures
Check refrigerant charge & controls
Inspect shaft seals & packing
Operation of capacity & safety controls

CENTRIFUGAL CHILLER ☐

Chilled & condenser water circuits
Purge system
Oil system – level, pressure & proper operation of oil cooler & differential
Operating pressures, temps. & vacuum
Capacity & safety controls, flow j switches, full load test chiller, check for proper starter operation

WATER TREATMENT ☐

Closed loop(s) only ☐
Water analysis
Add chemicals
Adjust bleed rate
Drain, flush & clean sumps

AIR HANDLING SYSTEMS ☒

Lubricate fan bearings
Check fan belts & drive alignment
Check/clean drip pans and drains
Check expansion valves & bulb clamps
Check condition of fans, scrolls & coils

HEATING SYSTEM ☒

Condition of heat exchangers
Heating coils, traps, strainers & valves
Electric resistance heaters
Operating & safety controls
Condensate return pump
Burner operation and flue stack
Expansion tank

WATER PUMPS

Condenser ☐ Chilled ☐ Hot ☐
Lubricate pump bearings
Check operating pressures
Check drive alignment
Check seals and packing glands
Purge air from pumps

CENTRAL CONTROLS ☐

Check/calibrate thermostats, humidistats
Check automatic control valves, damper & vane operators & central control panels

CONTROL AIR COMPRESSOR ☐

Check drive belt tension & alignment
Compressor oil level
Drain condensate from receiver
Operation & adjustment of pressure switch/valve

ELECTRICAL ☒

Record voltage & motor amperage
Lubricate motor bearings
Magnetic starter connections
Control box covers

CONDENSING MEDIUM

Tower ☐ Evaporative ☒ Air Cooled ☐
Lubricate fan bearings
Check condenser coil for leaks & scale
Clean air intake screens
Operating & safety controls
Check sumps, chemicals & algae
Dampers, damper motors & linkage
Eliminators & spray nozzles

SERVICE PROGRAMS

☐ **ACCOGUARD:** ACCO will regularly & systematically examine, adjust & lubricate your system as required; and, as conditions warrant, will repair or replace moving parts to keep your system operating. The ACCO GUARD agreement includes normal maintenance & emergency service labor, parts & repairs.

☒ **ACCOCARE:** ACCO will regularly and systematically examine, adjust & lubricate your system as required. Under an ACCOCARE agreement all other service calls, including labor & replacement parts, will be done on proper NORTHERN CALIFORNIA POWER AGENCY authorization and billed as extra.

☐ **ACCOSERVE:** ACCO will regularly & systematically examine, adjust & lubricate your system as required. The ACCOSERVE contract includes labor portion of normal maintenance, emergency service and cost of labor for repairs. All parts and materials will be billed extra.

☐ **ACCOAUDIT:** ACCO will, at regular intervals, supervise your employees or make an inspection of your system and report findings in writing. ACCOAUDIT Agreement cost is based on estimated time spent, or fixed fee.

EXHIBIT B

COMPENSATION SCHEDULE AND HOURLY FEES

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

Standard Hourly Rate (East Bay): \$149.00 (3% annual increase)

Standard Hourly Rate (Sacramento): \$135.00 (3% annual increase)

Overtime Hourly Rate (East Bay): 1.5 x standard rate

Overtime Hourly Rate (Sacramento): 1.5 x standard rate

Pricing specific for CT facilities preventative maintenance services mentioned in Exhibit A:

- Annual price (Year 1): \$13,875.00, invoiced quarterly at \$3,468.75
- Annual Price (Year 2): \$14,291.25, invoiced quarterly at \$3,572.81
- Annual Price (Year 3): \$14,719.99, invoiced quarterly at \$3,680.00
- Annual Price (Year 4): \$15,161.59, invoiced quarterly at \$3,790.40
- Annual Price (Year 5): \$15,616.44, invoiced quarterly at \$3,904.11

Pricing for services to be performed at other NCPA facilities, NCPA Member or SCPPA locations will be quoted at the time services are requested.

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

EXHIBIT C

CERTIFICATION

Affidavit of Compliance for Contractors

I, Stephen Alwan, Service Sales Manager

(Name of person signing affidavit)(Title)

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

ACCO Engineered Systems, Inc.

(Company name)

for contract work at

Lodi Energy Center, 12745 N. Thornton Road, Lodi, CA 95242

(Project name and location)

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

(Signature of officer or agent)

Dated this _____ day of _____, 20 _____.

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

NOT APPLICABLE - EXHIBIT D

CERTIFICATION

Affidavit of Compliance for Hazardous Materials Transport Vendors

I, _____,

(Name of person signing affidavit)(Title)

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

(Company name)

for hazardous materials delivery to:

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

(Project name and location)

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

(Signature of officer or agent)

Dated this _____ day of _____, 20 ____.

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

EXHIBIT E

ATTACHMENT A [from MLA]
AGREEMENT TO BE BOUND

MAINTENANCE LABOR AGREEMENT ATTACHMENT
LODI ENERGY CENTER PROJECT

The undersigned hereby certifies and agrees that:

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

DATED: _____

Name of Employer

(Authorized Officer & Title)

(Address)



DATE: October 14, 2016

COMMISSION MEETING DATE: October 27, 2016

Commission Staff Report

DATE: October 14, 2016

COMMISSION MEETING DATE: October 27, 2016

SUBJECT: Burns & McDonnell – Five Year Multi-Task Professional Services Agreement for Consulting Services for Project Support and Plant Operations; Applicable to the following projects: All NCPA Facility Locations, Members, SCPPA, and SCPPA Members.

AGENDA CATEGORY: Consent

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

IMPACTED MEMBERS:		
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="text"/>

If other, please specify.

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

RECOMMENDATION:

Approve Resolution 16-72 authorizing the General Manager or his designee to enter into a Multi-Task Professional Services Agreement with Burns & McDonnell for consulting services related to project support and plant operations, 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:

Consulting services related to project support and plant operations are needed at various NCPA facility locations as well as member facilities for the operation of the plants. Burns & McDonnell is a provider of these services.

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. NCPA will bid the specific scope of work consistent with NCPA procurement policies and procedures. 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 three other enabling agreements for similar services with Black & Veatch Construction, Inc., IEC Corporation, and Worley Parsons. NCPA will seek 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 was reviewed by the Facilities Committee on October 5, 2016 and was recommended for Commission approval.

The recommendation above was reviewed by the Lodi Energy Participant Committee on October 10, 2016 and was approved.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Randy S. Howard". The signature is fluid and cursive, with the first name "Randy" being the most prominent.

RANDY S. HOWARD
General Manager

Attachments (2):

- Resolution
- Multi-Task Professional Services Agreement with Burns & McDonnell

RESOLUTION 16-72

RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY APPROVING A MULTI-TASK PROFESSIONAL SERVICES AGREEMENT WITH BURNS & MCDONNELL

(reference Staff Report #203:16)

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

WHEREAS, Burns & McDonnell is a provider of these services; and

WHEREAS, on October 10, 2016, the LEC Project Participant Committee approved the agreement with Burns & McDonnell in an amount not-to-exceed \$1,000,000 over five years; and

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

NOW, THEREFORE BE IT RESOLVED, that the Commission of the Northern California Power Agency authorizes the General Manager or his designee to enter into a Multi-Task Professional Services Agreement with Burns & McDonnell, with any non-substantial changes as approved by the NCPA General Counsel, which shall not exceed \$1,000,000 over five years for various consulting services at all facilities owned and/or operated by NCPA, its members, by the Southern California Public Power Authority (SCPPA), or by SCPPA members.

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

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

BOB LINGL
COMMISSION CHAIR

ATTEST: _____
CARY A. PADGETT
ASSISTANT SECRETARY



**MULTI-TASK PROFESSIONAL SERVICES AGREEMENT BETWEEN
THE NORTHERN CALIFORNIA POWER AGENCY AND
BURNS & MCDONNELL ENGINEERING COMPANY, 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 Burns & McDonnell Engineering Company, Inc., a Missouri corporation, with its office located at 9400 Ward Parkway, Kansas City, MO 64114 ("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 in the appropriate Purchase Order.

- 1.1 Term of Agreement.** The term of this Agreement shall begin on the Effective Date and shall end five (5) years from the date this Agreement was signed by Agency; provided that if Services due under a Purchase Order are still outstanding at that time, the Agreement shall end upon completion of such Services.
- 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 in the same geographical location and for which Consultant is providing the Services ("Standard of Care"). Consultant represents that it is licensed, qualified and experienced to provide the Services set forth herein. If Consultant fails to meet the foregoing Standard of Care, Consultant will re-perform at its own cost, and without reimbursement from the Agency, the Services necessary to correct negligent errors and omissions which are caused by Consultant's failure to comply with the above standards and practices, and which are reported to Consultant within one year from the completion of such Services. This obligation to re-perform the Services necessary to correct negligent errors and omissions which are caused by Consultant's failure to comply with the above Standard of Care is Consultant's sole obligation and Agency's sole and exclusive remedy with respect to defects in 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.

- 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 business days from the date of the Agency's issuance of the Purchase Order in which to respond in writing that 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 dollars (\$1,000,000) for the Services, which shall include all fees, costs, expenses and other reimbursables, as set forth in Consultant's fee schedule, attached hereto and incorporated herein as Exhibit B. This dollar amount is not a guarantee that Agency will pay that full amount to the Consultant, but is merely a limit of potential Agency expenditures under this Agreement.

- 2.1 **Invoices.** Consultant shall submit invoices, not more often than once a month during the term of this Agreement, based on the cost for services performed and reimbursable costs incurred prior to the invoice date. Invoices shall contain the following information:
- The beginning and ending dates of the billing period;
 - Services performed;
 - The Purchase Order number authorizing the Services;
 - At Agency's option, the total number of hours of work performed under the Agreement by Consultant and each employee, agent, and subcontractor of Consultant performing services hereunder; and
 - At Agency's option, when the Consultant's Scope of Work identifies tasks, for each work item in each task, a copy of the applicable time entries showing the name of the person doing the work, the hours spent by each person, a brief description of the work, and each reimbursable expense, with supporting documentation, to Agency's reasonable satisfaction.

Invoices shall be sent to:

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

- 2.2 Monthly Payment.** Agency shall make monthly payments, based on invoices received, for services satisfactorily performed, and for authorized reimbursable costs incurred. Agency shall have thirty (30) days from the receipt of an invoice that complies with all of the requirements above to pay Consultant.
- 2.3 Payment of Taxes.** Consultant is solely responsible for the payment of all federal, state and local taxes, including employment taxes, incurred under this Agreement.
- 2.4 Authorization to Perform Services.** The Consultant is not authorized to perform any Services or incur any costs whatsoever under the terms of this Agreement until receipt of written authorization from the Contract Administrator.
- 2.5 Timing for Submittal of Final Invoice.** Consultant shall have ninety (90) days after completion of its Services to submit its final invoice. In the event Consultant fails to submit an invoice to Agency for any amounts due within the ninety (90) day period, Consultant is deemed to have waived its right to collect its final payment from Agency.

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

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

- 4.1 Workers' Compensation.** If Consultant employs any person, Consultant shall maintain Statutory Workers' Compensation Insurance and Employer's Liability Insurance for any and all persons employed directly or indirectly by Consultant with limits of one million dollars (\$1,000,000) per accident, each employee by disease, and policy limit by disease.
- 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 loss or liability, including the cost of defense of a claim, for bodily injury, death, personal injury and broad form property damage which may be caused by 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 Commercial General Liability. No endorsement shall be attached limiting coverage which is materially related to the Scope of Work under this Agreement.

4.2.2 Automobile Liability. Consultant shall maintain automobile liability insurance form CA 0001 (current edition) for the term of this Agreement covering a loss or liability, including the cost of defense of an action, caused by 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. 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 or Excess Insurance. The coverage amounts set forth above may be met by a combination of underlying and umbrella/excess 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) per claim and two million dollars (\$2,000,000) aggregate covering the Consultant's errors and omissions. Such insurance shall be on a "claims-made" basis, subject to the following conditions: (1) the retroactive date of the policy shall be on or before the Effective Date of this Agreement; (2) the policy shall be maintained for at least five (5) years after completion of the Services and, if requested by Agency, evidence of coverage shall be provided during this period; and (3) if, within five (5) years of completion of the Services, coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the Effective Date of this Agreement, Consultant shall purchase "extended reporting" coverage for a minimum of five (5) years after completion of the Services and, if requested by Agency, provide evidence of coverage during this period.

4.4 All Policies Requirements.

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

4.4.2 Notice of Cancellation of Coverage. Consultant shall provide at least thirty (30) days prior written notice to Agency of any reduction in scope or amount below the

amounts required herein, cancellation, or modification adverse to Agency making Consultant non-compliant with the requirements herein of the policies referenced in Section 4.

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

4.5 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 requiring 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 require 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 for bodily injury (including death) or property damage to the extent caused by 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 negligence, recklessness, or willful misconduct of the Agency.

Notwithstanding the foregoing, in the event Consultant defends the Agency and it is ultimately determined or agreed to that the Consultant was either not negligent or was only partially negligent with respect to the loss, liability, claim, suit, action or damages, the Agency agrees that it shall promptly reimburse Consultant for such proportion of the Consultant's costs incurred in defending the Agency that is not attributable to the negligence of the Consultant.

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 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 insured in all respects commensurate with the size of the subcontract.
- 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, including any written waivers and releases, 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 deliverable 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 DELIVERABLES.

9.1 Deliverables Created as Part of Consultant's Performance. All deliverables in electronic or any other form, that Consultant prepares pursuant to this Agreement and that relate to the matters covered hereunder shall become the property of the Agency upon full payment of all amounts properly due hereunder. 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. Any and all deliverables are prepared specifically, and intended to be utilized exclusively for the project and location contemplated under the Agreement. Any completion, extension, or modification of deliverables by Agency or others without participation by Consultant, or written authorization by Consultant, or any reuse by Agency of Consultant's deliverables or work product other than for the specific purpose intended will be at Agency's sole risk and without liability or legal exposure to Consultant. Consultant shall retain ownership of Consultant's prior developed intellectual property (including standard drawings and specifications, computer programs and models,

copyrights, trade secrets, patented, patent pending, or other patentable technology, processes, or business practices).

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. In no event shall Agency be entitled to audit the composition of any agreed upon fixed rates or percentage multipliers nor shall it be entitled to audit any rates, charges, costs, hours worked or expenses related to work performed on a lump sum or fixed price basis. Notwithstanding the preceding sentence, Consultant understands and agrees that Agency can make no representations or promises concerning the scope or extent of an audit by the State Auditor.

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"). During the term of this Agreement and five (5) years thereafter, the Receiving Party shall: (a) hold the Disclosing Party's Confidential Information in confidence; (b) take all reasonable steps to prevent any unauthorized possession, use, copying, transfer or disclosure of such Confidential

Information; and (c) return or destroy all Confidential Information (including all copies thereof) within thirty (30) days of receipt of a written request from the Disclosing Party.

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 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:

Burns & McDonnell
Attn. Mr. Adam Young, PE, Project Manager
9400 Ward Parkway
Kansas City, MO 64114

With a copy sent to:
Burns & McDonnell
Attn: General Counsel
9400 Ward Parkway,
Kansas City, MO 64114

Any written notice to Agency shall be sent to:

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

With a copy to:

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

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

- 10.11.4** The mediation process shall provide for the selection within fifteen (15) days by both Parties of a disinterested third person as mediator, shall be commenced within thirty (30) days and shall be concluded within fifteen (15) days from the commencement of the mediation.
- 10.11.5** The Parties shall equally bear the costs of any third party in any alternative dispute resolution process.
- 10.11.6** The alternative dispute resolution process is a material condition to this Agreement and must be exhausted as an administrative prior to either Party initiating legal action. This alternative dispute resolution process is not intended to nor shall be construed to change the time periods for filing a claim or action specified by Government Code §§ 900 *et seq.*
- 10.12 Controlling Provisions.** In the case of any conflict between the terms of this Agreement and the Exhibits hereto, a Purchase Order, or Consultant's Proposal (if any), the Agreement shall control. In the case of any conflict between the Exhibits hereto and a Purchase Order or the Consultant's Proposal, the Exhibits shall control. In the case of any conflict between the terms of a Purchase Order and the Consultant's Proposal, the Purchase Order shall control.
- 10.13 Counterparts.** This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one agreement.
- 10.14 Construction of Agreement.** Each party hereto has had an equivalent opportunity to participate in the drafting of the Agreement and/or to consult with legal counsel. Therefore, the usual construction of an agreement against the drafting party shall not apply hereto.
- 10.15 No Third Party Beneficiaries.** This Agreement is made solely for the benefit of the parties hereto, with no intent to benefit any non-signator third parties. However, should Consultant provide services to an Agency member, 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.
- 10.16 Agency Provided Information.** 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, for purposes of this Section 10.16, "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 Section 1.2 of this Agreement; 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 Section 1.2.

10.17 Contractor Safety. 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, if applicable, shall comply with all Agency or project site programs.

10.17.1 Consultant shall not be responsible for: (a) construction means, methods, techniques, sequences, procedures, or safety precautions and programs in connection with work related to the Services; (b) the failure of any of Agency's other contractors or consultants or their respective employees, subcontractors, vendors, or other project participants, not under contract to Consultant, to fulfill contractual responsibilities to Agency or to comply with federal, state, or local laws, regulations, and codes; or (c) procuring permits, certificates, and licenses required for any construction; provided, however, that this Section 10.17.1 shall not apply where the Services specified in a Purchase Order specifically include these responsibilities.

10.17.2 Consultant shall not have the authority to direct, control or stop the work of Agency's contractors or consultants or their respective employees, subcontractors or vendors; provided, however, that this Section 10.17.2 shall not apply where the Services specified in a Purchase Order specifically include these responsibilities.

10.18 Cost Estimates. Estimates and projections prepared by Consultant relating to construction costs and schedules, operation and maintenance costs, equipment characteristics and performance, and operating results are based on Consultant's experience, qualifications, and judgment as a design professional. Since Consultant has no control over weather, cost and availability of labor, material and equipment, labor productivity, construction contractors' procedures and methods, unavoidable delays, construction contractors' methods of determining prices, economic conditions, competitive bidding or market conditions, and other factors affecting such cost opinions or projections, Consultant does not guarantee that actual rates, costs, performance, schedules, and related items will not vary from cost estimates and projections prepared by Consultant.

10.19 Contractor Liability. In no event shall either Party or its subcontractors or subconsultants, of any tier, be liable in contract, tort, strict liability, warranty or otherwise, for any special, incidental, exemplary or consequential damages, such as, but not limited to, delay, disruption, loss of product, loss of anticipated profits or revenue, loss of use of the equipment or system, non-operation or increased expense of operation of other equipment or systems, cost of capital, or cost of purchase or replacement equipment, systems or power. In addition, to the fullest extent permissible by law, and notwithstanding any other provision of this Agreement or any Purchase Order, the total liability, in the aggregate, of Consultant, its officers, directors, shareholders, employees, agents, subcontractors and subconsultants, and any of them, to Agency and anyone claiming by,

through or under Agency, for any and all claims, losses, liabilities, costs or damages whatsoever arising out of, resulting from or in any way related to the Services or this Agreement or any Purchase Order from any claim, including, but not limited to, tort claims, claims of negligence (of any degree), professional errors or omissions, breach of contract, breach of warranty, indemnity claims and strict liability of Consultant, its officers, directors, shareholders, employees, agents, subcontractors and subconsultants, and any of them, shall not exceed Two Million dollars (\$2,000,000.00).

- 10.20 Hazardous Materials.** "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. This indemnification obligation shall survive the completion or termination of the Agreement.

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

NORTHERN CALIFORNIA POWER AGENCY

BURNS & MCDONNELL ENGINEERING
COMPANY, INC.

Date _____

Date _____

Randy S. Howard, General Manager

Jeff Greig, Senior Vice President

Attest:

Assistant Secretary of the Commission

Approved as to Form:

Assistant General Counsel

EXHIBIT A

SCOPE OF SERVICES

Burns & McDonnell ("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. The scope of the Consulting services performed under the Agreement will be defined on an individual Purchase Order basis.

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

- Feasibility Studies
- Business Model Development
- Forecasting and Resource Planning
- Transmission & Distribution Planning
- Technology Assessments
- Power Project Development
- Renewable Resource Development
- Valuations and Appraisals
- Cost of Service and Rate Studies
- Engineer of Record
- NERC Compliance
- Environmental Studies & Permitting
- 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 the Agreement. Consultant may increase the rates once per calendar year by an amount not to exceed three percent (3%) per year after the first year of the Agreement. Consultant shall notify Agency of any rate increase in writing at least thirty (30) calendar days prior to the effective date of the increase. The hourly rates for providing professional services and method of expense reimbursement is included on the following page within Exhibit B.

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.

Schedule of Hourly Professional Service Billing Rates

Position Classification	Classification Level	Hourly Billing Rate
General Office *	5	\$62.00
Technician *	6	76.00
Assistant *	7	87.00
	8	119.00
	9	139.00
Staff *	10	157.00
	11	171.00
Senior	12	189.00
	13	209.00
Associate	14	218.00
	15	231.00
	16	235.00
	17	240.00

NOTES:

1. Position classifications listed above refer to the firm's internal classification system for employee compensation. For example, "Associate", "Senior", etc., refer to such positions as "Associate Engineer", "Senior Architect", etc.
2. For any nonexempt personnel in positions marked with an asterisk (*), overtime will be billed at 1.5 times the hourly labor billing rates shown.
3. Project time spent by corporate officers will be billed at the Level 17 rate plus 25 percent.
4. For outside expenses incurred by Burns & McDonnell, such as authorized travel and subsistence, and for services rendered by others such as subcontractors, the client shall pay the cost to Burns & McDonnell plus 10%.
5. A technology charge of \$9.95 per labor hour will be billed for normal computer usage, computer aided drafting (CAD) long distance telephone, fax, photocopy and mail services. Specialty items (such as web and video conferencing) are not included in the technology charge.
6. Monthly invoices will be submitted for payment covering services and expenses during the preceding month. Invoices are due upon receipt. A late payment charge of 1.5% per month will be added to all amounts not paid within 30 days of the invoice date.
7. The services of contract/agency and/or any personnel of a Burns & McDonnell subsidiary or affiliate shall be billed to Owner according to the rate sheet as if such personnel is a direct employee of Burns & McDonnell.
8. The rates shown above are effective for services through December 31, 2016, and are subject to revision thereafter.

Form BMR1016

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:

BURNS & McDONNELL ENGINEERING COMPANY, INC.
(Company name)

for contract work at:

LODI ENERGY CENTER, 12745 N. Thornton Road, Lodi, CA 95242

(Project name and location)

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

(Signature of officer or agent)

Dated this _____ day of _____, 20 _____.

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

2676668.10



Commission Staff Report

October 14, 2016

COMMISSION MEETING DATE: October 27, 2016

SUBJECT: Hart High-Voltage Apparatus Repair & Testing Co., Inc. – Five Year Multi-Task General Services Agreement for Electrical Services; Applicable to the following projects: All NCPA Facility Locations, Members, SCPPA, and SCPPA Members

AGENDA CATEGORY: Consent

FROM:	Ken Speer <i>KS</i>	METHOD OF SELECTION:
	Assistant General Manager	N/A
Division:	Generation Services	
Department:	Combustion Turbines	

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

If other, please specify.

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

RECOMMENDATION:

Approve Resolution 16-73 authorizing the General Manager or his designee to enter into a Multi-Task General Services Agreement with Hart High-Voltage Apparatus Repair & Testing Co., Inc. for electrical services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$700,000 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:

Electrical services are needed at various NCPA facility locations as well as member facilities for the operation of the plants. Hart High-Voltage Repair & Testing Co., Inc. is a supplier of these services.

FISCAL IMPACT:

Total cost of the agreement is not-to-exceed \$700,000 over five years to be used out of NCPA approved budgets as services are rendered. Purchase orders referencing the terms and conditions of the Agreement will be issued following NCPA procurement policies and procedures.

SELECTION PROCESS:

This five year contract does not commit NCPA to any expenditure of funds. 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 three other enabling agreements with 3D Technical Services, Eaton Corporation, and Electrical Maintenance Consultants, Inc. for similar services and seeks bids from as many qualified providers as possible. Bids are awarded to the lowest cost provider. NCPA will issue purchase orders based on cost and availability of the services needed at the time the service is required.

ENVIRONMENTAL ANALYSIS:

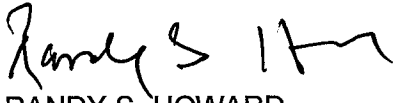
This activity would not result in a direct or reasonably foreseeable indirect change in the physical environment and is therefore not a "project" for purposes of Section 21065 the California Environmental Quality Act. No environmental review is necessary.

COMMITTEE REVIEW:

The recommendation above was reviewed by the Facilities Committee on October 5, 2016 and was recommended for Commission approval.

The recommendation above was reviewed by the Lodi Energy Center Participant Committee on October 10, 2016 and was approved.

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 (2):

- Resolution
- Multi-Task General Services Agreement with Hart High-Voltage Apparatus Repair & Testing Co., Inc.

RESOLUTION 16-73

RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY APPROVING A MULTI-TASK GENERAL SERVICES AGREEMENT WITH HART HIGH-VOLTAGE APPARATUS REPAIR & TESTING CO., INC.

(reference Staff Report #204:16)

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

WHEREAS, Hart High-Voltage Apparatus Repair & Testing Co., Inc. is a provider of these services; and

WHEREAS, on October 10, 2016, the LEC Project Participant Committee approved the agreement with Hart High-Voltage Apparatus Repair & Testing Co., Inc. in an amount not-to-exceed \$700,000 over five years; and

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

NOW, THEREFORE BE IT RESOLVED, that the Commission of the Northern California Power Agency authorizes the General Manager or his designee to enter into a Multi-Task General Services Agreement with Hart High-Voltage Apparatus Repair & Testing Co., Inc., with any non-substantial changes as approved by the NCPA General Counsel, which shall not exceed \$700,000 over five years for various electrical services at all facilities owned and/or operated by NCPA, its members, by the Southern California Public Power Authority (SCPPA), or by SCPPA members.

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

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

BOB LINGL
COMMISSION CHAIR

ATTEST: _____
CARY A. PADGETT
ASSISTANT SECRETARY



**MULTI-TASK
GENERAL SERVICES AGREEMENT BETWEEN
THE NORTHERN CALIFORNIA POWER AGENCY AND
HART HIGH-VOLTAGE APPARATUS REPAIR AND TESTING CO., INC.**

This agreement for general services ("Agreement") is made by and between the Northern California Power Agency, a joint powers agency, with its main office located at 651 Commerce Drive, Roseville, CA 95678-6420 ("Agency") and Hart High-Voltage Apparatus Repair & Testing Co., Inc., a corporation, with its office located at 1612 Poole Blvd., Yuba City, CA 95993 ("Contractor") (together sometimes referred to as the "Parties") as of _____, 2016 ("Effective Date") in Roseville, California.

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

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

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

Section 2. COMPENSATION. Agency hereby agrees to pay Contractor an amount **NOT TO EXCEED** SEVEN HUNDRED THOUSAND dollars (\$700,000.00) for the Work, which shall include all fees, costs, expenses and other reimbursables, as set forth in Contractor's fee schedule, attached hereto and incorporated herein as Exhibit B. This dollar amount is not a guarantee that Agency will pay that full amount to the Contractor, but is merely a limit of potential Agency expenditures under this Agreement.

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

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

Invoices shall be sent to:

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

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

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

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

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

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

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

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

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

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

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

- 4.2.3 **General Liability/Umbrella Insurance.** The coverage amounts set forth above may be met by a combination of underlying and umbrella policies as long as in combination the limits equal or exceed those stated.
- 4.3 **Professional Liability Insurance.** Intentionally left blank.
- 4.5 **All Policies Requirements.**
- 4.5.1 **Verification of coverage.** Prior to beginning any work under this Agreement, Contractor shall provide Agency with (1) a Certificate of Insurance that demonstrates compliance with all applicable insurance provisions contained herein and (2) policy endorsements to the policies referenced in Section 4.2 and in Section 4.4, if applicable, adding the Agency as an additional insured and declaring such insurance primary in regard to work performed pursuant to this Agreement.
- 4.5.2 **Notice of Reduction in or Cancellation of Coverage.** Contractor shall provide at least thirty (30) days prior written notice to Agency of any reduction in scope or amount, cancellation, or modification adverse to Agency of the policies referenced in Section 4.
- 4.5.3 **Higher Limits.** If Contractor maintains higher limits than the minimums specified herein, the Agency shall be entitled to coverage for the higher limits maintained by the Contractor.
- 4.5.4 **Additional Certificates and Endorsements.** If Contractor performs Work for Agency members, SCPPA and/or SCPPA members pursuant to this Agreement, Agency shall the right to require Contractor to provide the certificates of insurance and/or policy endorsements, as referenced in Section 4.4.1, naming the specific Agency member, SCPPA and/or SCPPA member for which the Work is to be performed.
- 4.6 **Waiver of Subrogation.** Contractor agrees to waive subrogation which any insurer of Contractor may acquire from Contractor by virtue of the payment of any loss. Contractor agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of Agency for all work performed by Contractor, its employees, agents and subcontractors.
- 4.7 **Contractor's Obligation.** Contractor shall be solely responsible for ensuring that all equipment, vehicles and other items utilized in the performance of Work are operated, provided or otherwise utilized in a manner that ensures they are and remain covered by the policies referenced in Section 4 during this Agreement. Contractor shall also ensure that all workers involved in the provision of Work are properly classified as employees,

agents or independent contractors and are and remain covered by any and all workers' compensation insurance required by applicable law during this Agreement.

Section 5. INDEMNIFICATION AND CONTRACTOR'S RESPONSIBILITIES.

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

Section 6. STATUS OF CONTRACTOR.

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

Contractor shall indemnify, defend, and hold harmless Agency for the payment of any employee and/or employer contributions for PERS benefits on behalf of Contractor or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of Agency. Contractor and Agency acknowledge and agree that compensation paid by Agency to

Contractor under this Agreement is based upon Contractor's estimated costs of providing the Work, including salaries and benefits of employees, agents and subcontractors of Contractor.

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

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

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

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

Section 7. LEGAL REQUIREMENTS.

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

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

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

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

Section 8. TERMINATION AND MODIFICATION.

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

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

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

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

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

8.4.1 Immediately terminate the Agreement;

- 8.4.2 Retain the plans, specifications, drawings, reports, design documents, and any other work product prepared by Contractor pursuant to this Agreement;
- 8.4.3 Retain a different Contractor to complete the Work not finished by Contractor; and/or
- 8.4.4 Charge Contractor the difference between the costs to complete the Work that is unfinished at the time of breach and the amount that Agency would have paid Contractor pursuant hereto if Contractor had completed the Work.

Section 9. KEEPING AND STATUS OF RECORDS.

- 9.1 **Records Created as Part of Contractor's Performance.** All reports, data, maps, models, charts, studies, surveys, photographs, memoranda, plans, studies, specifications, records, files, or any other documents or materials, in electronic or any other form, that Contractor prepares or obtains pursuant to this Agreement and that relate to the matters covered hereunder shall be the property of the Agency. Contractor hereby agrees to deliver those documents to the Agency upon termination of the Agreement. Agency and Contractor agree that, unless approved by Agency in writing, Contractor shall not release to any non-parties to this Agreement any data, plans, specifications, reports and other documents.
- 9.2 **Contractor's Books and Records.** Contractor shall maintain any and all records or other documents evidencing or relating to charges for Work or expenditures and disbursements charged to the Agency under this Agreement for a minimum of three (3) years, or for any longer period required by law, from the date of final payment to the Contractor under this Agreement.
- 9.3 **Inspection and Audit of Records.** Any records or documents that this Agreement requires Contractor to maintain shall be made available for inspection, audit, and/or copying at any time during regular business hours, upon oral or written request of the Agency. Under California Government Code Section 8546.7, if the amount of public funds expended under this Agreement exceeds ten thousand dollars (\$10,000.00), the Agreement shall be subject to the examination and audit of the State Auditor, at the request of Agency or as part of any audit of the Agency, for a period of three (3) years after final payment under this Agreement.
- 9.4 **Confidential Information and Disclosure.**
 - 9.4.1 **Confidential Information.** The term "Confidential Information", as used herein, shall mean any and all confidential, proprietary, or trade secret information, whether written, recorded, electronic, oral or otherwise, where the Confidential Information is made available in a tangible medium of expression and marked in a

prominent location as confidential, proprietary and/or trade secret information. Confidential Information shall not include information that: (a) was already known to the Receiving Party or is otherwise a matter of public knowledge, (b) was disclosed to Receiving Party by a third party without violating any confidentiality agreement, (c) was independently developed by Receiving Party without reverse engineering, as evidenced by written records thereof, or (d) was not marked as Confidential Information in accordance with this section.

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

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

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

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

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

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

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

Section 10. PROJECT SITE.

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

Section 11. WARRANTY.

- 11.1 Nature of Work.** In addition to any and all warranties provided or implied by law or public policy, Contractor warrants that all Work shall be free from defects in design and workmanship, and that Contractor shall perform all Work in accordance with applicable

federal, state, and local laws, rules and regulations including engineering, construction and other codes and standards and prudent electrical utility standards, and in accordance with the terms of this Agreement.

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

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

- 12.1** Contractor is responsible for acquiring job hazard assessments as necessary to safely perform the Work and provide a copy to Agency upon request.
- 12.2** Contractor is responsible for providing all employee health and safety training and personal protective equipment in accordance with potential hazards that may be encountered in performance of the Work and provide copies of the certified training records upon request by Agency. Contractor shall be responsible for proper maintenance and/or disposal of their personal protective equipment and material handling equipment.
- 12.3** Contractor is responsible for ensuring that its lower-tier subcontractors are aware of and will comply with the requirements set forth herein.
- 12.4** Agency, or its representatives, may periodically monitor the safety performance of the Contractor performing the Work. Contractors and its subcontractors shall be required to comply with the safety and health obligations as established in the Agreement. Non-compliance with safety, health, or fire requirements may result in cessation of work activities, until items in non-compliance are corrected. It is also expressly acknowledged, understood and agreed that no payment shall be due from Agency to Contractor under this

Agreement at any time when, or for any Work performed when, Contractor is not in full compliance with this Section 12.

- 12.5 Contractor shall immediately report any injuries to the Agency site safety representative. Additionally, the Contractor shall investigate and submit to the Agency site safety representative copies of all written accident reports, and coordinate with Agency if further investigation is requested.
- 12.6 Contractor shall take all reasonable steps and precautions to protect the health of its employees and other site personnel with regard to the Work. Contractor shall conduct occupational health monitoring and/or sampling to determine levels of exposure of its employees to hazardous or toxic substances or environmental conditions. Copies of any sampling results will be forwarded to the Agency site safety representative upon request.
- 12.7 Contractor shall develop a plan to properly handle and dispose of any hazardous wastes, if any, Contractor generates in performing the Work.
- 12.8 Contractor shall advise its employees and subcontractors that any employee who jeopardizes his/her safety and health, or the safety and health of others, may be subject to actions including removal from Work.
- 12.9 Contractor shall, at the sole option of the Agency, develop and provide to the Agency a Hazardous Material Spill Response Plan that includes provisions for spill containment and clean-up, emergency contact information including regulatory agencies and spill sampling and analysis procedures. Hazardous Materials shall include diesel fuel used for trucks owned or leased by the Contractor.
- 12.10 If Contractor is providing Work to an Agency Member, SCPPA or SCPPA member (collectively "Member" solely for the purpose of this section) pursuant to Section 1.4 hereof, then that Member shall have the same rights as the Agency under Sections 12.1, 12.2, 12.4, 12.5, and 12.6 hereof.

Section 13 MISCELLANEOUS PROVISIONS.

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

- 13.3 **Severability.** If a court of competent jurisdiction finds or rules that any provision of this Agreement is invalid, void, or unenforceable, the provisions of this Agreement not so adjudged shall remain in full force and effect. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.
- 13.4 **No Implied Waiver of Breach.** The waiver of any breach of a specific provision of this Agreement does not constitute a waiver of any other breach of that term or any other term of this Agreement.
- 13.5 **Successors and Assigns.** The provisions of this Agreement shall inure to the benefit of and shall apply to and bind the successors and assigns of the Parties.
- 13.6 **Conflict of Interest.** Contractor may serve other clients, but none whose activities within the corporate limits of Agency or whose business, regardless of location, would place Contractor in a "conflict of interest," as that term is defined in the Political Reform Act, codified at California Government Code Section 81000 *et seq.*

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

- 13.7 **Contract Administrator.** This Agreement shall be administered by Ken Speer, Assistant General Manager, or his/her designee, who shall act as the Agency's representative. All correspondence shall be directed to or through the representative.
- 13.8 **Notices.** Any written notice to Contractor shall be sent to:

Hart High-Voltage Apparatus Repairs & Testing Co., Inc.
Attention: Jim Wolfram
P.O. Box 3389
Yuba City, CA 95992

Any written notice to Agency shall be sent to:

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

With a copy to:

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

- 13.9 Professional Seal.** Where applicable in the determination of the Agency, the first page of a technical report, first page of design specifications, and each page of construction drawings shall be stamped/sealed and signed by the licensed professional responsible for the report/design preparation.
- 13.10 Integration; Incorporation.** This Agreement, including all the exhibits attached hereto, represents the entire and integrated agreement between Agency and Contractor and supersedes all prior negotiations, representations, or agreements, either written or oral. All exhibits attached hereto are incorporated by reference herein.
- 13.11 Alternative Dispute Resolution.** If any dispute arises between the Parties that cannot be settled after engaging in good faith negotiations, Agency and Contractor agree to resolve the dispute in accordance with the following:
- 13.11.1** Each party shall designate a senior management or executive level representative to negotiate any dispute;
 - 13.11.2** The representatives shall attempt, through good faith negotiations, to resolve the dispute by any means within their authority.
 - 13.11.3** If the issue remains unresolved after fifteen (15) days of good faith negotiations, the Parties shall attempt to resolve the disagreement by negotiation between legal counsel. If the above process fails, the Parties shall resolve any remaining disputes through mediation to expedite the resolution of the dispute.
 - 13.11.4** The mediation process shall provide for the selection within fifteen (15) days by both Parties of a disinterested third person as mediator, shall be commenced within thirty (30) days and shall be concluded within fifteen (15) days from the commencement of the mediation.
 - 13.11.5** The Parties shall equally bear the costs of any third party in any alternative dispute resolution process.
 - 13.11.6** The alternative dispute resolution process is a material condition to this Agreement and must be exhausted as an administrative remedy prior to either Party initiating legal action. This alternative dispute resolution process is not intended to nor shall be construed to change the time

periods for filing a claim or action specified by Government Code §§ 900
et seq.

- 13.12 Controlling Provisions.** In the case of any conflict between the terms of this Agreement and the Exhibits hereto, a Purchase Order, or Contractor's Proposal (if any), the Agreement shall control. In the case of any conflict between the Exhibits hereto and a Purchase Order or the Contractor's Proposal, the Exhibits shall control. In the case of any conflict between the terms of a Purchase Order and the Contractor's Proposal, the Purchase Order shall control.
- 13.13 Counterparts.** This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one agreement.
- 13.14 Construction of Agreement.** Each party hereto has had an equivalent opportunity to participate in the drafting of the Agreement and/or to consult with legal counsel. Therefore, the usual construction of an agreement against the drafting party shall not apply hereto.
- 13.15 No Third Party Beneficiaries.** This Agreement is made solely for the benefit of the parties hereto, with no intent to benefit any non-signator third parties. However, should Contractor provide Work to an Agency member, SCPPA or SCPPA member (collectively for the purpose of this section only "Member") pursuant to Section 1.4, the parties recognize that such Member may be a third party beneficiary solely as to the Purchase Order and Requested Work relating to such Member.

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

NORTHERN CALIFORNIA POWER AGENCY

HART HIGH-VOLTAGE APPARATUS
REPAIRS & TESTING CO., INC.

Date_____

Date_____

RANDY S. HOWARD,
General Manager

JIM WOLFGRAM,
President

Attest:

Assistant Secretary of the Commission

Approved as to Form:

Assistant General Counsel

EXHIBIT A

SCOPE OF WORK

Hart High-Voltage Apparatus Repairs & Testing Co., Inc. ("Contractor") shall provide specialized electrical services as requested by the Northern California Power Agency ("Agency") at any facilities owned or operated by Agency, its Members, Southern California Public Power Authority (SCPPA) or SCPPA members.

Services to include but not be limited to the following:

Core testing performed as follows:

- Microprocessor, solid state and electro-mechanical protective relays (setting, programming etc.)
- Current transformers
- Potential transformers
- Current circuit verification
- Potential circuit verification
- Control circuit verification
- Open air disconnect switch
- Circuit breaker
- Transformer
- Generator
- Grounding

Typical substation tests performed as follows:

- Protective relays: Perform automated and manual testing using 3Ø voltage and 3Ø current test sets, verify logic.
- Current transformers: Ratio, saturation, power factor, insulation resistance.
- Potential transformers: Ratio, power factor, insulation resistance.
- Current circuit: Burden, circuit verification per drawings.
- Potential circuit: Burden, circuit verification per drawings.
- Control circuit: Circuit verification per drawings.
- Open air disconnect: Contact resistance, insulation resistance, operational.
- Circuit breaker: Contact resistance, insulation resistance, time travel, power factor, insulation resistance, operational.
- Transformer: Power factor, excitation, turns ratio, wdg resistance, insulation resistance, dielectric, sweep frequency response, operational.
- Generator: Insulation resistance, wdg resistance, power factor.
- Grounding: Resistance to remote earth, point-to-point.

EXHIBIT B

COMPENSATION SCHEDULE AND HOURLY FEES

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

Billing Rates	Straight Time*	Overtime**	Double-time***
Field Technicians	\$155.00/Hour	\$232.50/Hour	\$310.00/Hour

* Straight time rates apply to all work or travel during a normal eight hour workday, Monday–Friday, excluding Holidays.

** Overtime rates apply to all work or travel time other than that qualifying as straight time.

*** Double-time rates apply to all nationally recognized holidays, Sundays, and after 12 hours.

Minimum Billing	<u>0 - 4/hrs Billed @ 4.0hrs + Exp</u>
	<u>4 - 8/hrs Billed @ 8.0hrs + Exp</u>

Equipment Charges (Partial List)

Doble Power Factor Test Set M-4000	\$500.00/Day
AVO MPRT	\$120.00/Day
Multi-Amp PS 9160 High Current Test Set	\$100.00/Day
Multi-Amp CB 845 High Current Test Set	\$ 50.00/Day
Multi-Amp CTER 91 Current Transformer Test Set	\$ 60.00/Day
Multi-Amp Pulsar Relay Test Set	\$ 80.00/Day
Multi-Amp SR 90 Relay Test Set	\$ 60.00/Day
Vanguard Transformer Ohmmeter	\$ 50.00/Day
Vanguard Time Travel Analyzer	\$ 50.00/Day
Biddle 5 KV Motorized Meggar	\$ 50.00/Day
Biddle DLRO Ductor	\$ 25.00/Day
Biddle TTR Test Set	\$ 25.00/Day
Hipotronics 80 KV HiPot	\$ 50.00/Day
Biddle DET 2/2 Earth Tester	\$ 50.00/Day

Expenses

Living Expenses	\$220.00/Per Diem/Per Man
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Miscellaneous expenses such as equipment rental, parking, telephone, bridge tolls, automobile rentals, and expendable materials will be billed at cost plus 30% plus applicable tax and freight charges.

Mileage

Under 1 Ton	\$ 1.46/Mile Portal – To – Portal
1 Ton and Over	\$ 1.66/Mile Portal – To – Portal

Pricing excludes any bonds, fees, permits, and/or owner controlled insurance programs that are project related. If an OCIP is required, a separate proposal will be submitted to cover the additional insurance costs.

All rates subject to annual adjustment upon 30 days' written notice to Agency.

Invoices not paid per terms will be subject to a 1-½% per month service charge.

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

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

EXHIBIT C

CERTIFICATION

Affidavit of Compliance for Contractors

I,

(Name of person signing affidavit)(Title)

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

HART HIGH-VOLTAGE APPARATUS REPAIRS & TESTING CO., INC.

(Company name)

for contract work at:

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

(Project name and location)

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

(Signature of officer or agent)

Dated this _____ day of _____, 20 ____.

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

EXHIBIT D – NOT APPLICABLE

CERTIFICATION

Affidavit of Compliance for Hazardous Materials Transport Vendors

I, _____,

(Name of person signing affidavit)(Title)

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

(Company name)

for hazardous materials delivery to:

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

(Project name and location)

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

(Signature of officer or agent)

Dated this _____ day of _____, 20 ____.

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

EXHIBIT E – NOT APPLICABLE

**ATTACHMENT A [from MLA]
AGREEMENT TO BE BOUND**

**MAINTENANCE LABOR AGREEMENT ATTACHMENT
LODI ENERGY CENTER PROJECT**

The undersigned hereby certifies and agrees that:

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

DATED: _____ Name of Employer _____

(Authorized Officer & Title)

(Address)



16

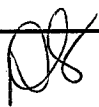
Commission Staff Report

October 19, 2016

COMMISSION MEETING DATE: October 27, 2016

SUBJECT: Approval of the Sixteenth Supplemental Indenture of Trust to Amend the Geothermal Project Number 3 Indenture of Trust

AGENDA CATEGORY: Consent

FROM:	Donna Stevener 	METHOD OF SELECTION:
	Asst. General Manager/CFO	N/A
Division:	Administrative Services	
Department:	Accounting & Finance	

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 checked="" 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 checked="" type="checkbox"/>	
Turlock Irrigation District		
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RECOMMENDATION:

Staff recommends approval of Resolution 16-75 which amends the Geothermal Bond Indenture to reflect the current project participation and future removal of the City of Palo Alto from the project in accordance with Amendment Two to the Agreement for Construction, Operation and Financing of Geothermal Generating Project Number 3, changes the deadline for submission of annual financial reports to 210 days from 120 days to match continuing disclosure requirements and removes the requirement for a special Accountant's Certificate regarding bond covenant defaults.

BACKGROUND:

On April 1, 2011, NCPA participants in the Geothermal project executed Amendment Number Two (Amendment) to the "Agreement for Construction, Operation and Financing of Geothermal Generating Project Number 3", also known as the Geothermal Third Phase Agreement (Agreement). The Amendment reflects the terms of various transfer agreements between project participants and Turlock Irrigation District (TID) and added TID as a signatory to the Agreement. Under the Amendment, project participants who transferred shares to TID remain liable for all payment obligations under the Agreement until such time as the 2009A Geothermal bonds are no longer outstanding (July 1, 2019). In order to reflect the Amendment to the Agreement within the Geothermal Indenture of Trust dated November 1, 1983, our bond counsel recommended that the bond indenture be amended using a "supplemental indenture of trust", which will require approval of two-thirds of the outstanding bondholders for the Geothermal bonds.

On September 23, 2016, the Commission approved a bond refunding for the Geothermal project 2009A bonds via issuance of the 2016 Refunding Series A bonds through a direct loan with the Bank of America. After closing of this bond deal on October 6th, Bank of America became the sole bondholder of outstanding 2012 Series A and 2016 Series A Geothermal bonds. Therefore, with the consent of Bank of America as holders of all of the 2012 Series and 2016 Series bonds, NCPA is able to make desired amendments to the bond indenture, which become effective upon redemption of the 2009A Series bonds (July 1, 2019) which are held by various other bondholders.

The proposed amendments to the Indenture of Trust are reflected in the Sixteenth Supplemental Indenture and include the following:

- Amend Section 1010 to add references to Amendments Number One and Two to the Agreement for Construction, Operation and Financing of Geothermal Generating Project Number 3. This will clarify the participation in the project and modify the indenture so revised participation percentages in the project are reflected in the bond indenture after July 1, 2019.
- Amend Section 715 Accounts and Reports to provide for 210 days to submit required audited financial statements versus 120 days in the original 1983 indenture (this will line up due dates for filing the annual audit with dates in the Continuing Disclosure Agreements for the 2009A bonds).
- Amend Section 715 Accounts and Reports to delete the last sentence in section 3 as follows: "Such Accountant's Certificate shall state whether or not, to the knowledge of the signer, NCPA is in default with respect to any of the covenants, agreements or conditions on its part contained in the Indenture of Trust, and if so, the nature of such default."

FISCAL IMPACT:

This amendment is for clarification of language only. There is no fiscal impact to NCPA.

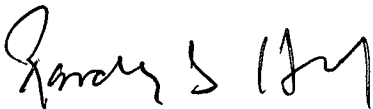
ENVIRONMENTAL ANALYSIS:

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

COMMITTEE REVIEW:

The recommendation was reviewed by the Finance Committee on October 19th and was unanimously recommended for Commission approval with 5 members present.

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:

Resolution No. 16-75
Sixteenth Supplemental Indenture of Trust
Consent and Approval of Bondholder Forms

RESOLUTION 16-75

RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY APPROVING THE SIXTEENTH SUPPLEMENTAL INDENTURE OF TRUST TO AMEND CERTAIN SECTIONS OF THE GEOTHERMAL INDENTURE OF TRUST

(reference Staff Report #206:16)

WHEREAS, NCPA and the cities of Alameda, Biggs, Gridley, Healdsburg, Lodi, Lompoc, Palo Alto, Roseville, Santa Clara, and Ukiah, the Turlock Irrigation District, and the Plumas-Sierra Rural Electric Cooperative (the "Project Participants") have entered into the Agreement for Construction, Operation and Financing of Geothermal Generating Project Number 3, dated as of July 1, 1983, as amended by Amendment Number One dated August 1, 1983 and Amendment Number Two (Amendment Two) dated April 1, 2011, by and among NCPA and the Project Participants, to provide for the construction, operation, and financing of the Project (capitalized terms used herein and not otherwise defined shall have the meanings given such terms in the Indenture mentioned below), the sale by NCPA of capacity and energy of the Project to the Project Participants, and the security for the bonds, notes and other evidences of indebtedness to be issued to finance the Project; and

WHEREAS, pursuant to an Indenture of Trust, dated as of November 1, 1983, between NCPA and U.S. Bank National Association, as successor trustee (as the same may be amended and supplemented from time to time, the "Indenture"), NCPA has authorized the issuance of its Geothermal Project Number 3 Revenue Bonds to finance the Cost of Acquisition and Construction of the Project or to refund any Outstanding Bond or Bonds; and

WHEREAS, NCPA desires to amend the Indenture of Trust to ensure the terms of Amendment Two are reflected in the indenture and revise Section 715 to change the filing date of certain documents, and to eliminate the requirement for an Accountant's Certificate relating to compliance with bond covenants in Section 715; and

WHEREAS, the 2009A Series A Bonds, the 2012 Series A Bonds and the 2016 Series A Bonds are currently the only Series of Bonds outstanding under the Original Indenture of Trust; and

WHEREAS, the 2009A Series A Bonds will no longer be outstanding as of July 1, 2019; and

WHEREAS, Bank of America N.A. and Banc of America, holders of the 2012 Series A Bonds and the 2016 Series B Bonds have consented to the proposed amendments to the indenture; and

WHEREAS, there have been prepared and submitted to this meeting a draft of the Sixteenth Supplemental Indenture and the Consent forms; and

WHEREAS, this Commission now desires to approve the proposed changes to the Indenture of Trust and approve related documents; 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, by the Commission of the Northern California Power Agency, as follows:

Section 1. The Sixteenth Supplemental Indenture, in substantially the form submitted to this meeting and made a part hereof as though set forth in full herein, be and the same is hereby approved. Each of the Chairman of the Commission (the "Chairman"), the General Manager of NCPA (the "General Manager"), the Assistant General Manager, Finance and Administrative Services, and the Treasurer-Controller of NCPA (each an "Authorized Officer"), acting singly, is hereby authorized to execute and deliver the Sixteenth Supplemental Indenture, in the name of and on behalf of NCPA, in the form presented to this meeting with such changes, insertions and deletions as may be consistent with this Resolution and the determinations made pursuant hereto and as may be approved by the Authorized Officer executing the Sixteenth Supplemental Indenture, said execution being conclusive evidence of such approval.

Section 2. The Authorized Officers, and any other proper officer of NCPA, acting singly, be and each of them hereby is authorized to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or convenient in carrying out the amendment to the Indenture of Trust. The Secretary or an Assistant Secretary of NCPA is hereby authorized to affix and attest the seal of NCPA to any of the documents approved or authorized pursuant to this Resolution.

Section 3. This Resolution shall take effect immediately upon its adoption.

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	_____	_____	_____

BOB LINGL
CHAIR

ATTEST:

CARY A. PADGETT
ASSISTANT SECRETARY

SIXTEENTH SUPPLEMENTAL
INDENTURE OF TRUST

between

NORTHERN CALIFORNIA POWER AGENCY

and

U.S. BANK NATIONAL ASSOCIATION, as TRUSTEE

Dated as of November 1, 2016

SIXTEENTH SUPPLEMENTAL INDENTURE OF TRUST

This **SIXTEENTH SUPPLEMENTAL INDENTURE OF TRUST**, made and entered into as of November 1, 2016, by and between Northern California Power Agency, a joint exercise of powers agency established pursuant to the laws of the State of California ("NCPA"), and U.S. Bank National Association, a national banking association, incorporated under the laws of the United States of America and authorized to accept and execute trusts of the character herein set out, with its principal corporate trust office located at 100 Wall Street, New York, New York, as successor trustee (the "Trustee");

WITNESSETH:

WHEREAS, NCPA has heretofore entered into an Indenture of Trust, dated as of November 1, 1983 (the "Original Indenture of Trust"), as supplemented and amended by the First Supplemental Indenture of Trust, dated as of November 1, 1983 (the "First Supplemental Indenture of Trust"), the Second Supplemental Indenture of Trust, dated as of October 1, 1984 (the "Second Supplemental Indenture of Trust"), the Third Supplemental Indenture of Trust, dated as of October 1, 1985 (the "Third Supplemental Indenture of Trust"), the Fourth Supplemental Indenture of Trust, dated as of November 1, 1986 (the "Fourth Supplemental Indenture of Trust"), the Fifth Supplemental Indenture of Trust, dated as of January 30, 1987 (the "Fifth Supplemental Indenture of Trust"), the Sixth Supplemental Indenture of Trust, dated as of May 1, 1993 (the "Sixth Supplemental Indenture of Trust"), the Seventh Supplemental Indenture of Trust, dated as of September 1, 1994 (the "Seventh Supplemental Indenture of Trust"), the Eighth Supplemental Indenture of Trust, dated as of April 1, 1996 (the "Eighth Supplemental Indenture of Trust"), the Ninth Supplemental Indenture of Trust, dated as of April 1, 1996 (the "Ninth Supplemental Indenture of Trust"), the Tenth Supplemental Indenture of Trust, dated as of April 1, 1996 (the "Tenth Supplemental Indenture of Trust"), the Eleventh Supplemental Indenture of Trust, dated as of August 1, 1998 (the "Eleventh Supplemental Indenture of Trust"), the Twelfth Supplemental Indenture of Trust, dated as of August 1, 1998 (the "Twelfth Supplemental Indenture of Trust"), the Thirteenth Supplemental Indenture of Trust, dated as of March 1, 2009 (the "Thirteenth Supplemental Indenture of Trust"), the Fourteenth Supplemental Indenture of Trust, dated as of September 1, 2012 (the "Fourteenth Supplemental Indenture of Trust") and the Fifteenth Supplemental Indenture of Trust, dated as of October 1, 2016 (the "Fifteenth Supplemental Indenture of Trust"), each by and between NCPA and the Trustee, to provide for the securing of Bonds; and

WHEREAS, NCPA, together with the Cities of Alameda, Biggs, Gridley, Healdsburg, Lodi, Lompoc, Palo Alto, Roseville, Santa Clara and Ukiah, the Plumas Sierra Rural Electronic Cooperative, and the Turlock Irrigation District, entered into the Amendment Number Two to Agreement for Construction, Operation, and Financing of Geothermal Generating Project Number 3 (the "Agreement Amendment") dated as of April 1, 2011; and

WHEREAS, NCPA desires to amend the Original Indenture of Trust to ensure the terms of the Agreement Amendment are reflected therein; and

WHEREAS, the 2009 Series A Bonds, the 2012 Series A Bonds, and the 2016 Series A Bonds are currently the only Series of Bonds outstanding under the Original Indenture of Trust; and

WHEREAS, the 2009 Series A Bonds will no longer be Outstanding as of July 1, 2019; and

WHEREAS, the written consent of all Holders of the 2012 Series A Bonds and the 2016 Series B Bonds have been obtained and delivered;

**NOW, THEREFORE, KNOW ALL PERSONS BY THESE PRESENTS, THIS
SIXTEENTH SUPPLEMENTAL INDENTURE OF TRUST WITNESSETH:**

That, in consideration of the premises, the acceptance by the Trustee of the trusts hereby created and originally created by the Original Indenture of Trust, the mutual covenants herein contained and in order to secure the payment of the principal of, Redemption Price, if any, and interest on the Bonds according to their tenor and effect, and the performance and observance by NCPA of all the covenants and conditions herein and therein contained on its part to be performed, it is agreed by and between NCPA and the Trustee as follows:

ARTICLE I

AUTHORITY AND DEFINITIONS

101. Supplemental Indenture of Trust. This Sixteenth Supplemental Indenture of Trust is supplemental to the Original Indenture of Trust as heretofore amended and supplemented.

102. Authority for the Sixteenth Supplemental Indenture of Trust. This Sixteenth Supplemental Indenture of Trust is adopted (i) pursuant to the provisions of Article 4 of the Act and (ii) in accordance with Article II, Article X, and Article XI of the Original Indenture of Trust.

103. Definitions.

(a) Except as provided by this Sixteenth Supplemental Indenture of Trust, all terms which are defined in Section 101 of the Original Indenture of Trust, Section 103 of the First Supplemental Indenture of Trust, Section 103 of the Second Supplemental Indenture of Trust, Section 103 of the Third Supplemental Indenture of Trust, Section 103 of the Fourth Supplemental Indenture of Trust, Section 103 of the Fifth Supplemental Indenture of Trust, Section 103 of the Sixth Supplemental Indenture of Trust, Section 103 of the Seventh Supplemental Indenture of Trust, Section 103 of the Eighth Supplemental Indenture of Trust, Section 103 of the Ninth Supplemental Indenture of Trust, Section 103 of the Tenth Supplemental Indenture of Trust, Section 103 of the Eleventh Supplemental Indenture of Trust, Section 103 of the Twelfth Supplemental Indenture of Trust, or Section 103 of the Thirteenth Supplemental Indenture, shall have the same meanings, respectively, in this Sixteenth Supplemental Indenture of Trust as such terms are given in said Section 101 of the Original Indenture of Trust, Section 103 of the First Supplemental Indenture of Trust, Section 103 of the

Second Supplemental Indenture of Trust, Section 103 of the Third Supplemental Indenture of Trust, Section 103 of the Fourth Supplemental Indenture of Trust, Section 103 of the Fifth Supplemental Indenture of Trust, Section 103 of the Sixth Supplemental Indenture of Trust, Section 103 of the Seventh Supplemental Indenture of Trust, Section 103 of the Eighth Supplemental Indenture of Trust, Section 103 of the Ninth Supplemental Indenture of Trust, Section 103 of the Tenth Supplemental Indenture of Trust, Section 103 of the Eleventh Supplemental Indenture of Trust, Section 103 of the Twelfth Supplemental Indenture of Trust, Section 103 of the Thirteenth Supplemental Indenture of Trust, Section 103 of the Fourteenth Supplemental Indenture of Trust or Section 103 of the Fifteenth Supplemental Indenture of Trust, respectively.

(b) **Rules of Construction.** Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include corporations and associations, including public bodies, as well as natural persons. Defined terms shall include any variant of the terms set forth in this Article I.

The terms "hereby," "hereof," "hereto," "herein," "hereunder," and any similar terms, as used in this Sixteenth Supplemental Indenture of Trust, refer to this Sixteenth Supplemental Indenture of Trust as a whole and not to any particular Article or Section hereof.

ARTICLE II

AMENDMENTS TO THE ORIGINAL INDENTURE OF TRUST

201. The definition of "Project Number 3 Member Agreement" in Section 1010 of the Original Indenture of Trust is hereby amended in its entirety to read as follows:

Project Number 3 Member Agreement shall mean the Agreement for Construction, Operation and Financing of Geothermal Generating Project Number 3, dated as of July 1, 1983, by and among NCPA and the Project Participants as the same has been or may be amended and supplemented from time to time in accordance with its terms and the terms of the Indenture of Trust, including by Amendment Number One to Agreement for Construction, Operation and Financing of Geothermal Generating Project Number 3, dated as of August 1, 1993, by and among NCPA and the Project Participants and by Amendment Number Two to Agreement for Construction, Operation and Financing of Geothermal Generating Project Number 3, dated as of April 1, 2011, by and among NCPA and the Project Participants.

202. Effective as of the first date on which no 2009 Series A Bonds remain outstanding, the references to "120 days" in Section 715 of the Original Indenture of Trust shall be modified to read "210 days."

ARTICLE III

MISCELLANEOUS

301. **Indenture of Trust to Remain in Effect.** Save and except as heretofore amended and supplemented and as amended and supplemented by this Sixteenth Supplemental Indenture of Trust, the Indenture of Trust shall remain in full force and effect.

302. **Counterparts.** This Sixteenth Supplemental Indenture of Trust may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original; but such counterparts shall together constitute but one and the same instrument.

303. **Effective Date of the Sixteenth Supplemental Bond Indenture.** This Sixteenth Supplemental Indenture shall be effective in accordance with Section 1102 and 1103 of the Original Indenture of Trust.

IN WITNESS WHEREOF, Northern California Power Agency has caused these presents to be signed in its name and on its behalf by its General Manager and to evidence its acceptance of the trusts hereby created, the Trustee has caused these presents to be signed in its name and on its behalf by one of its authorized officers, all as of the first day of November, 2016.

NORTHERN CALIFORNIA POWER AGENCY

By: _____
Name: Donna I. Stevener
Title: Assistant General Manager, Finance and
Administrative Services and Chief Financial Officer

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

By: _____
Authorized Officer

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An extra section break has been inserted above this paragraph. Do not delete this section break if you plan to add text after the Table of Contents/Authorities. Deleting this break will cause Table of Contents/Authorities headers and footers to appear on any pages following the Table of Contents/Authorities.

**NORTHERN CALIFORNIA POWER AGENCY
GEOTHERMAL PROJECT NUMBER 3 REVENUE BONDS,
2012 SERIES A**

**CONSENT AND APPROVAL OF BONDHOLDER TO
AMENDMENT TO ORIGINAL INDENTURE OF TRUST**

Banc of America Public Capital Corporation (the "Holder") is the registered owner of all the outstanding Northern California Power Agency Geothermal Project Number 3 Revenue Bonds, 2012 Series A (the "2012 Series A Bonds"). An authorized representative of the Holder has reviewed the proposed form of a Sixteenth Supplemental Indenture of Trust (the "Sixteenth Supplemental Indenture"), which is attached hereto as Exhibit A, amending the Indenture of Trust, dated as of November 1, 1983, as heretofore amended and supplemented, pursuant to which the 2012 Series A Bonds have been issued.

The Holder, through its duly authorized representative, hereby consents to the proposed Sixteenth Supplemental Indenture and the amendments contained therein in substantially the form attached hereto as Exhibit A.

Dated: _____, 2016

**BANC OF AMERICA PUBLIC CAPITAL
CORPORATION**

By: _____
Name: _____
Title: _____

EXHIBIT A

**NORTHERN CALIFORNIA POWER AGENCY
GEOTHERMAL PROJECT NUMBER 3 REVENUE REFUNDING BONDS,
2016 SERIES A**

**CONSENT AND APPROVAL OF BONDHOLDER TO
AMENDMENT TO ORIGINAL INDENTURE OF TRUST**

Bank of America, N.A. (the "Holder") is the registered owner of all the outstanding Northern California Power Agency Geothermal Project Number 3 Revenue Refunding Bonds, 2016 Series A (the "2016 Series A Bonds"). An authorized representative of the Holder has reviewed the proposed form of a Sixteenth Supplemental Indenture of Trust (the "Sixteenth Supplemental Indenture"), which is attached hereto as Exhibit A, amending the Indenture of Trust, dated as of November 1, 1983, as heretofore amended and supplemented, pursuant to which the 2016 Series A Bonds have been issued.

The Holder, through its duly authorized representative, hereby consents to the proposed Sixteenth Supplemental Indenture and the amendments contained therein in substantially the form attached hereto as Exhibit A.

Dated: _____, 2016

BANK OF AMERICA, N.A.

By: _____
Name: _____
Title: _____

EXHIBIT A



SR: 209:16

RECOMMENDATION:

NCPA staff and the Finance Committee recommend that the Commission accept and file the Annual Financial Statements and Associated Audit Report and Letters for the years ended June 30, 2016 and 2015.

BACKGROUND:

On October 19, 2016, the Finance Committee held a meeting to review the Northern California Power Agency and Associated Power Corporations (NCPA) Financial Statements and Associated Audit Report and Letters for the years ended June 30, 2016 and 2015. The audit partner from the Agency's audit firm, Moss Adams LLP, reviewed the highlights of the financial statements and answered questions from the Committee. The financial report was given an unqualified or "clean" opinion by the auditors. No evidence of fraud or illegal acts were noted in the course of the audit. In addition, the auditors presented a PowerPoint (copy is attached) which includes required communications by the auditor. Additional auditor reports include an internal control letter, a compliance with bond indentures letter and a compliance with investment policy letter. Copies of these letters are attached to this report. Nothing of significance was noted in any of the letters.

FISCAL IMPACT:

This is a financial report for the years ended June 30, 2016 and 2015, which has no direct budget impact to the agency, but merely reports on the fiscal impacts for the last fiscal year.

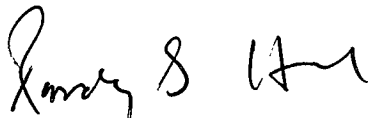
ENVIRONMENTAL ANALYSIS:

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

COMMITTEE REVIEW:

The Finance Committee recommended that the NCPA Commission accept and file the Northern California Power Agency and Associated Power Corporations (NCPA) Financial Statements and Associated Audit Report and Letters for the years ended June 30, 2016 and 2015 with a unanimous vote of the five members present.

Respectfully submitted,



RANDY S. HOWARD
General Manager

Concurs with,



MADELINE DEATON
Chair, Finance Committee

Attachments:

- Financial Statements for the years ended June 30, 2016 and 2015
- Moss Adams letters dated October 19, 2016
 - o Internal Control Letter
 - o Compliance with Bond Indentures Letter
 - o Compliance with Investment Policy Letter
- PowerPoint Presented to Finance Committee by auditors on October 19, 2016



AND

ASSOCIATED POWER CORPORATIONS

**Reports on Audit of Combined Financial Statements
and
Supplementary Information**

For the Years Ended June 30, 2016 and 2015

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

Reports on Audit of Combined Financial Statements

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For the Years Ended June 30, 2016 and 2015

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REPORT OF INDEPENDENT AUDITORS

The Board of Commissioners
Northern California Power Agency and Associated Power Corporations

Report on the Financial Statements

We have audited the accompanying combined financial statements of Northern California Power Agency and Associated Power Corporations (the Agency), which comprise the combined statement of net position as of June 30, 2016 and 2015, and the related combined statements of revenue, expenses and change in net position, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the California Code of Regulations, Title 2, Section 1131.2, State Controller's *Minimum Audit Requirements* for California Special Districts. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

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

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

REPORT OF INDEPENDENT AUDITORS (continued)

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of Northern California Power Agency and Associated Power Corporations as of June 30, 2016 and 2015, and the combined results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Agency's combined financial statements. The combining statement of net position, combining statement of revenues, expenses and changes in net position, combining cash flows as of and for the years ended June 30, 2016 and 2015 (combining financial statements) are presented for purposes of additional analysis and is not a required part of the combined financial statements.

The combining financial statements are the responsibility of management and are derived from and relate directly to the underlying accounting and other records used to prepare the combined financial statements. Such information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining financial statements are fairly stated, in all material respects, in relation to the combined financial statements as a whole.

The schedule of generation entitlement shares has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Miss Adams LLP

Portland, Oregon
October 19, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

NORTHERN CALIFORNIA POWER AGENCY AND ASSOCIATED POWER CORPORATIONS

The management of Northern California Power Agency (the Agency or NCPA) offers the following narrative discussion and analysis of its financial performance for the years ended June 30, 2016 and 2015. This discussion should be read in conjunction with the Agency's combined financial statements and accompanying notes, which follow this section.

BACKGROUND

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

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

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

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

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

Because the Agency is a separate, governmental and not-for-profit organization that serves its participating members, who are also the Agency's principal customers, the net results of operations flow through to its participating members as either net revenues or net expenses.

MANAGEMENT'S DISCUSSION AND ANALYSIS

NORTHERN CALIFORNIA POWER AGENCY AND ASSOCIATED POWER CORPORATIONS

FINANCIAL REPORTING

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

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

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

Effective for fiscal year ended June 30, 2016, the Agency adopted GASB Statement of Government Accounting Standards No. 72, Fair Value Measurement and Application. This Statement establishes standards for fair value measurements of assets and liabilities. The definition of *fair value* is the price in an orderly transaction between market participants at the measurement date. No adjustments were needed as a result of adopting this Statement.

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

NORTHERN CALIFORNIA POWER AGENCY AND ASSOCIATED POWER CORPORATIONS

FINANCIAL HIGHLIGHTS

The following is a summary of the Agency's combined financial position and results of operations for the years ended June 30, 2016, 2015, and 2014.

Condensed Statement of Net Position	June 30,		
	(in thousands)		
	2016	2015	2014
Assets			
Current assets	\$ 83,366	\$ 81,501	\$ 84,293
Restricted assets	211,759	204,769	215,718
Electric plant, net	588,870	618,708	648,857
Other assets	249,574	249,659	194,919
Total Assets	1,133,569	1,154,637	1,143,787
Deferred outflows of resources	63,441	67,424	69,586
	<u>\$ 1,197,010</u>	<u>\$ 1,222,061</u>	<u>\$ 1,213,373</u>
Liabilities and Net Position			
Long-term debt, net	\$ 776,982	\$ 816,936	\$ 855,672
Current liabilities	91,653	93,224	94,475
Non-current liabilities	214,612	199,980	148,869
Total Liabilities	1,083,247	1,110,140	1,099,016
Deferred inflows of resources	85,800	81,930	82,124
Net position:			
Net investment in capital assets	(62,193)	(60,971)	(60,797)
Restricted	66,282	64,688	66,326
Unrestricted	23,874	26,274	26,704
	<u>\$ 1,197,010</u>	<u>\$ 1,222,061</u>	<u>\$ 1,213,373</u>

Condensed Statements of Revenues, Expenses and Changes in Net Position	Years Ended June 30,		
	(in thousands)		
	2016	2015	2014
Operating Revenues	\$ 452,645	\$ 423,887	\$ 405,185
Operating expenses	(407,051)	(378,672)	(340,669)
Net operating revenues	45,594	45,215	64,516
Other expenses	(38,860)	(38,260)	(40,648)
Future refundable costs	(140)	(2,292)	(17,207)
Refunds to participants	(8,622)	(6,905)	(9,833)
Decrease in net position	(2,028)	(2,242)	(3,172)
Net position, beginning of year	29,991	32,233	35,405
Net position, end of year	<u>\$ 27,963</u>	<u>\$ 29,991</u>	<u>\$ 32,233</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS

NORTHERN CALIFORNIA POWER AGENCY AND ASSOCIATED POWER CORPORATIONS

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

Current Assets

2016 Compared to 2015 - Current assets increased \$1.9 million or 2.3% from the prior year, primarily due to net cash inflow from operating and investing activities offset by decrease in California Independent System Operator (CAISO) receivables.

2015 Compared to 2014 - Current assets decreased \$2.8 million or 3.3% from the prior year, primarily due to cash expended for operating and investing activities, reductions in third party accounts receivable offset by increases in inventory and prepaid expenses.

Restricted Assets

2016 Compared to 2015 - Restricted assets increased \$7.0 million or 3.4% from the prior year. This is primarily a result of net participants' contributions to their General Operating Reserves of \$9.0 million and collections of budgeted reserves and deposits of \$3.6 million offset by participants' withdrawals from their General Operating Reserves of \$5.6 million.

2015 Compared to 2014 - Restricted assets decreased \$10.9 million or 5.1% from the prior year. This is primarily a result of net participants' withdrawals from their General Operating Reserves of \$15.9 million offset by increases in collections of budgeted reserves and deposits of \$5.0 million.

Electric Plant, net

2016 Compared to 2015 - The Agency has invested approximately \$588.9 million in plant assets and construction work in progress, net of accumulated depreciation, at June 30, 2016. Net utility plant comprises approximately 49.2% of the Agency's assets. The \$29.8 million or 4.8% decrease from the prior year consists of \$30.6 million in depreciation, offset by net capital expenditures of \$0.8 million. For additional detail, refer to Note B – Significant Accounting Policies.

2015 Compared to 2014 - The Agency has invested approximately \$618.7 million in plant assets and construction work in progress, net of accumulated depreciation, at June 30, 2015. Net utility plant comprises approximately 50.6% of the Agency's assets. The \$30.1 million or 4.6% decrease from the prior year consists of \$31.1 million in depreciation, offset by net capital expenditures of \$1.0 million. For additional detail, refer to Note B – Significant Accounting Policies.

Other Assets

2016 Compared to 2015 - Other assets decreased \$0.1 million or 0.3 % compared to 2015.

2015 Compared to 2014 - Other assets increased \$54.7 million or 28.1% compared to 2014. This was primarily due to recognition of regulatory assets related to net pension liability of \$57.3 million and increased interest rate swap liability of \$1.2 million offset by a reduction of other regulatory assets held for future recovery of \$3.8 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS

NORTHERN CALIFORNIA POWER AGENCY AND ASSOCIATED POWER CORPORATIONS

Deferred Outflows

2016 Compared to 2015 - Total deferred outflows of resources decreased \$4.0 million or 5.9% due to the scheduled amortization of excess of cost on refunding of debt of \$7.8 million offset by increase of deferred pension contribution of \$3.8 million.

2015 Compared to 2014 - Total deferred outflows of resources decreased \$2.2 million due to the scheduled amortization of excess of cost on refunding of debt of \$7.5 million offset by increase of deferred pension contribution of \$5.3 million.

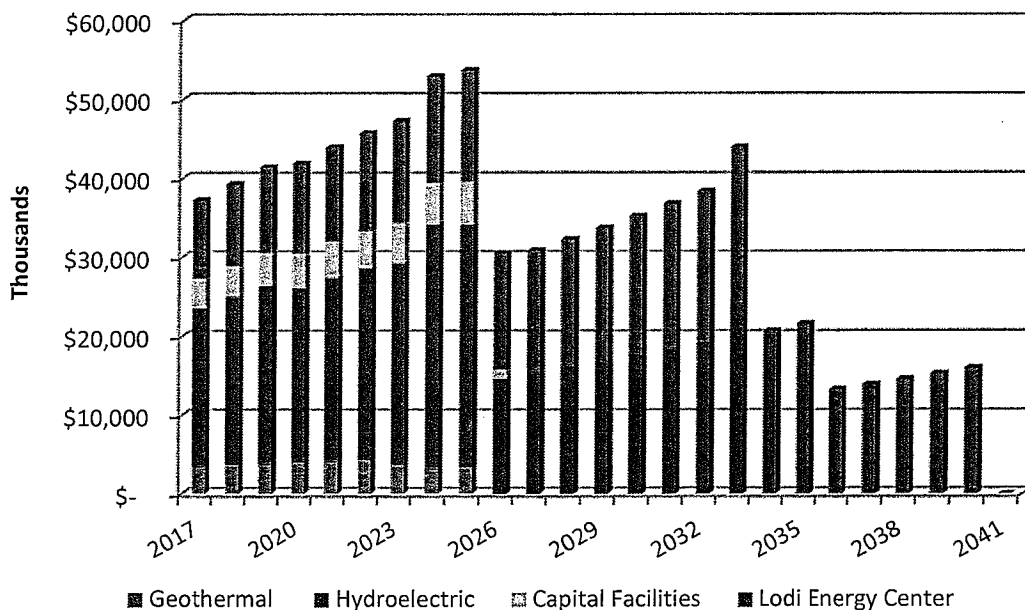
LIABILITIES

Long-Term Debt, net

2016 Compared to 2015 - Long-term debt, net decreased \$40.0 million or 4.9% in 2016 as a result of scheduled principal payments of \$35.6 million, net premium amortization of \$2.7 million and net increase in current portion of long-term debt of \$1.6 million. For additional detail, refer to Note E – Projects and Related Financing.

2015 Compared to 2014 - Long-term debt, net decreased \$38.7 million or 4.5% in 2015 as a result of scheduled principal payments of \$34.0 million, net premium amortization of \$3.1 million and net increase in current portion of long-term debt of \$1.6 million. For additional detail, refer to Note E – Projects and Related Financing.

The following table shows the Agency's scheduled annual debt service principal payments through FY 2040 as of June 30, 2016:



MANAGEMENT'S DISCUSSION AND ANALYSIS

NORTHERN CALIFORNIA POWER AGENCY AND ASSOCIATED POWER CORPORATIONS

Current Liabilities

2016 Compared to 2015 - Current liabilities decreased by \$1.6 million or 1.7% in 2016. This is primarily due to decreases in operating reserves of \$3.6 million and decreases in accrued interest of \$0.6 million offset by increases in accounts payable of \$1.0 million and increases in current portion of long-term debt of \$1.6 million.

2015 Compared to 2014 - Current liabilities decreased by \$1.3 million or 1.3% in 2015. This is primarily due to decreases in accounts payable of \$6.4 million and interest payable of \$0.6 million, offset by additional operating reserves of \$4.1 million and increases in current portion of long-term debt of \$1.6 million.

Other Non-Current Liabilities

2016 Compared to 2015 - Non-current liabilities increased by a net of \$14.6 million or 7.3% in 2016. This was primarily due to increased net pension liability of \$0.5 million, increased interest rate swap liability of \$5.7 million and increased operating reserves of \$8.4 million for participants' budget collections.

2015 Compared to 2014 - Non-current liabilities increased by a net of \$51.1 million or 25.6% in 2015. This was primarily due to recording net pension liability of \$57.3 million and increased interest rate swap liability of \$1.2 million offset by decrease in operating reserves of \$7.4 million for participants' withdrawals.

Deferred Inflows

2016 Compared to 2015 - Total deferred inflows of resources increased \$3.9 million or 4.7% due to the recognition of certain revenues related to the inventory and prepaids and higher than expected actuarial pension earnings to be adjusted in future collections.

2015 Compared to 2014 - Total deferred inflows of resources decreased \$0.2 million or 0.2% due to the recognition of certain revenues related to the depreciation or use of assets originally funded through collections offset by higher than expected actuarial pension earnings to be adjusted in future collections.

CHANGES IN NET POSITION

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

Operating Revenues

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

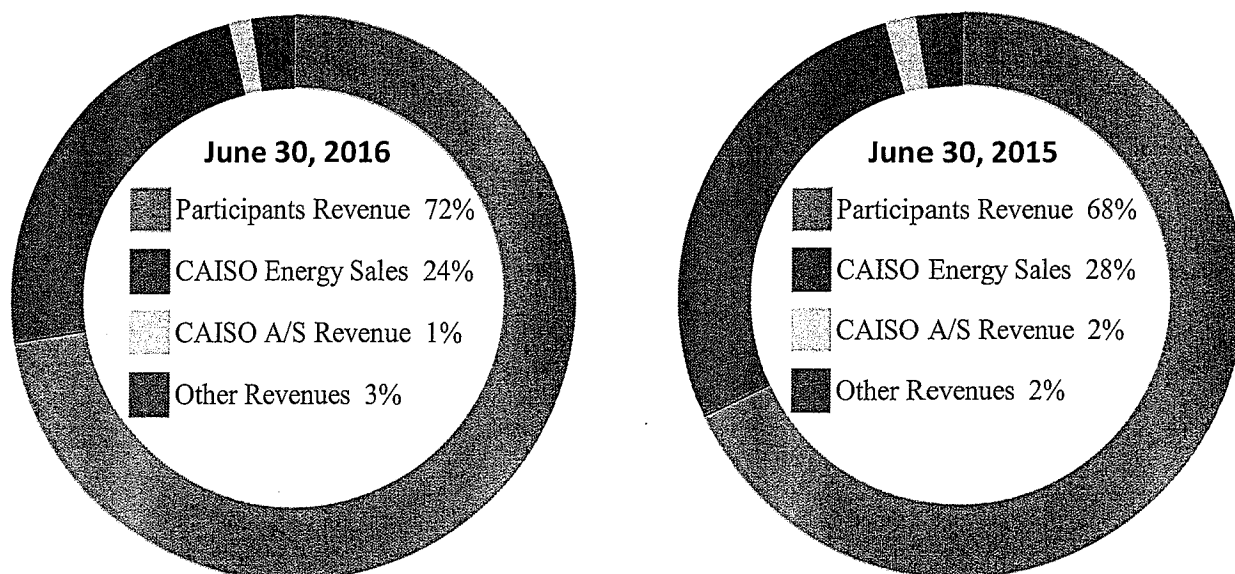
2016 Compared to 2015 - Operating revenues for fiscal year 2016 were approximately \$28.8 million or 6.8% higher than in the prior fiscal year. This was the net result of the following: (1) higher operating revenues from Agency participants of \$40.2 million or 14.0% due to higher collections for CAISO costs and energy purchases, and (2) lower other third party revenues of \$11.5 million due to reduced generation resulting in decreased energy sales into the CAISO market from generation plants.

MANAGEMENT'S DISCUSSION AND ANALYSIS

NORTHERN CALIFORNIA POWER AGENCY AND ASSOCIATED POWER CORPORATIONS

2015 Compared to 2014 - Operating revenues for fiscal year 2015 were approximately \$18.7 million or 4.6% higher than in the prior fiscal year. This was the net result of the following: (1) increased other third party revenues of \$50.9 million or 59.8%, attributable primarily to increased energy sales into the CAISO market from the generation plants; and (2) lower operating revenues from Agency participants of \$32.2 million or 10.1% due to lowered budget requirements of plant operations.

OPERATING REVENUES BY SOURCES



Operating Expenses

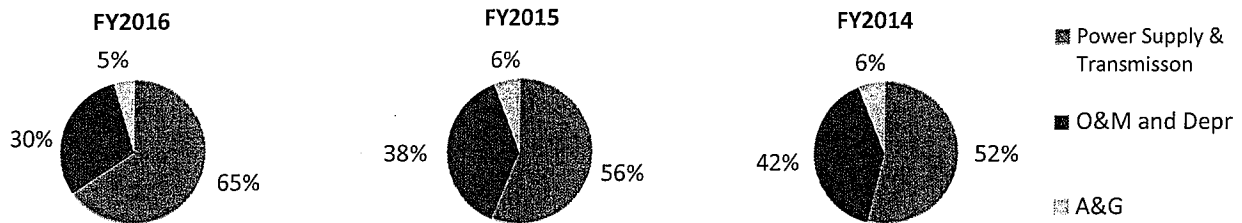
2016 Compared to 2015 - Operating expenses were \$407.0 million in FY 2016, an increase of \$28.4 million from FY 2015. Purchased power expense was \$29.5 million higher in 2016 mainly due to increased energy purchased to fulfill energy requirements. Operations expense decreased \$21.5 million primarily due to decreased fuel usage for the LEC. The LEC generated 1,076.9 MWh in FY 2016 compared to 1,668.7 MWh in FY 2015. Maintenance expenses were \$1.0 million higher than in FY 2015 due to increased plant maintenance costs. Additionally, the increase in transmission costs of \$23.6 million was due to increased CAISO wheeling access charges during the year.

2015 Compared to 2014 - Operating expenses were \$378.7 million in FY 2015, an increase of \$38.0 million from FY 2014. Purchased power expense was \$27.7 million higher in 2015 mainly due to larger volume as compared to 2014. Operations expense increased \$5.9 million primarily due to increased fuel usage for the LEC. The LEC generated 1,668.7 MWh in FY 2015 compared to 1,241.9 MWh in FY 2014. Maintenance expenses were \$4.6 million lower than in FY 2014 due to reduced plant maintenance costs and the re-direction of labor costs from maintenance projects to plant operations. Additionally, the increase in transmission costs of \$7.1 million was due to higher generation and increased CAISO wheeling access charges during the year.

MANAGEMENT'S DISCUSSION AND ANALYSIS

NORTHERN CALIFORNIA POWER AGENCY AND ASSOCIATED POWER CORPORATIONS

The following charts compare the components of Operating Expenses in fiscal years ended June 30, 2016, 2015, and 2014:



FINANCING ACTIVITIES

During 2016, 2015 and 2014 the Agency continued to implement strategies to further improve its competitive position and financial flexibility. These actions included: (1) monitoring current financial market conditions for financing or refinancing opportunities; (2) replacing the letter of credit provider related to outstanding variable rate bonds; and, (3) providing rating agencies annual updates on all projects.

The Agency has issued variable rate 2008 Hydroelectric Refunding Series A (\$85,160,000) bonds and 2008 Hydroelectric Refunding Series B (\$3,165,000) bonds. To support this financing, the Agency entered into two irrevocable direct pay letter of credit agreements with Citibank N.A. The Citibank letters of credit were for a period of three years to expire on September 27, 2014.

On September 10, 2014, the irrevocable letter of credit agreements with Citibank N.A. were terminated. Substitution letters of credit with the Bank of Montreal were issued the same day. The Bank of Montreal letters of credit are for a period of five years and expire on September 9, 2019.

Each year the Agency has either informal discussions or sometimes formal presentations with each of the credit rating agencies in order to maintain ongoing communications. Standard and Poor's, Moody's, and Fitch affirmed their current ratings on all projects in October 2014, December 2015, and May of 2016, respectively.

Ratings assigned to the Agency's outstanding project bonds as of June 30, 2016 are as follows:

Debt Credit Ratings:	Standard & Poor's	Fitch	Moody's
Geothermal	A-, stable	A+, stable	A1, stable
Hydroelectric	A+, stable	A+, stable	A1, stable
Capital Facilities	A-, stable	Not rated	A2, stable
Lodi Energy Center (Issue One)	A-, stable	A, stable	A2, stable
Lodi Energy Center (Issue Two)	AAA, stable	Not rated	Aa2, stable

MANAGEMENT'S DISCUSSION AND ANALYSIS

NORTHERN CALIFORNIA POWER AGENCY AND ASSOCIATED POWER CORPORATIONS

SUMMARY

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

Agency Financials

COMBINED STATEMENTS OF NET POSITION

NORTHERN CALIFORNIA POWER AGENCY AND ASSOCIATED POWER CORPORATIONS

	June 30,	
	2016	2015
	(in thousands)	
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 49,642	\$ 45,593
Investments	22,209	24,067
Accounts receivable		
Participants	690	24
Other	495	2,127
Interest receivable	120	86
Inventory and supplies	9,122	8,149
Prepaid expenses	1,088	1,455
TOTAL CURRENT ASSETS	83,366	81,501
RESTRICTED ASSETS		
Cash and cash equivalents	56,669	57,586
Investments	154,757	146,922
Interest receivable	333	261
TOTAL RESTRICTED ASSETS	211,759	204,769
ELECTRIC PLANT		
Electric plant in service	1,500,739	1,500,076
Less: accumulated depreciation	(911,976)	(881,412)
	588,763	618,664
Construction work-in-progress	107	44
TOTAL ELECTRIC PLANT	588,870	618,708
OTHER ASSETS		
Regulatory assets	249,519	249,659
Unused vendor credits	55	-
TOTAL ASSETS	1,133,569	1,154,637
DEFERRED OUTFLOWS OF RESOURCES		
Excess cost on refunding of debt	54,348	62,114
Pension deferrals	9,093	5,310
TOTAL DEFERRED OUTFLOWS OF RESOURCES	63,441	67,424
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 1,197,010	\$ 1,222,061

COMBINED STATEMENTS OF NET POSITION

NORTHERN CALIFORNIA POWER AGENCY AND ASSOCIATED POWER CORPORATIONS

	June 30,	
	2016	2015
	(in thousands)	
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 24,473	\$ 23,462
Member advances	993	993
Operating reserves	17,535	21,185
Current portion of long-term debt	37,250	35,615
Accrued interest payable	11,402	11,969
TOTAL CURRENT LIABILITIES	91,653	93,224
NON-CURRENT LIABILITIES		
Net pension liability	57,774	57,260
Operating reserves and other deposits	134,577	126,185
Interest rate swap liability	22,261	16,535
Long-term debt, net	776,982	816,936
TOTAL NON-CURRENT LIABILITIES	991,594	1,016,916
TOTAL LIABILITIES	1,083,247	1,110,140
DEFERRED INFLOWS OF RESOURCES		
Regulatory credits	79,201	76,984
Pension deferrals	6,599	4,946
TOTAL DEFERRED INFLOWS OF RESOURCES	85,800	81,930
NET POSITION		
Net investment in capital assets	(62,193)	(60,971)
Restricted	66,282	64,688
Unrestricted	23,874	26,274
TOTAL NET POSITION	27,963	29,991
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 1,197,010	\$ 1,222,061

**COMBINED STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION**

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

	Years Ended June 30,	
	2016	2015
	(in thousands)	
OPERATING REVENUES		
Participants	\$ 328,101	\$ 287,845
Other Third-Party	124,544	136,042
TOTAL OPERATING REVENUES	452,645	423,887
OPERATING EXPENSES		
Purchased power	182,563	153,033
Operations	69,075	90,617
Transmission	83,713	60,139
Depreciation	30,645	31,140
Maintenance	22,675	21,659
Administrative and general	18,380	22,084
TOTAL OPERATING EXPENSES	407,051	378,672
NET OPERATING REVENUES	45,594	45,215
OTHER (EXPENSES) REVENUES		
Interest expense	(48,454)	(44,885)
Interest income	3,538	1,429
Other	6,056	5,196
TOTAL OTHER EXPENSES	(38,860)	(38,260)
FUTURE RECOVERABLE AMOUNTS	(140)	(2,292)
REFUNDS TO PARTICIPANTS	(8,622)	(6,905)
DECREASE IN NET POSITION	(2,028)	(2,242)
NET POSITION, Beginning of year	29,991	32,233
NET POSITION, End of year	\$ 27,963	\$ 29,991

COMBINED STATEMENTS OF CASH FLOW

NORTHERN CALIFORNIA POWER AGENCY AND ASSOCIATED POWER CORPORATIONS

	Years Ended June 30,	
	2016	2015
	(in thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Received from participants	\$ 329,651	\$ 282,699
Received from others	133,087	137,479
Payments for employee services	(33,547)	(32,118)
Payments to suppliers for goods and services	(346,293)	(326,564)
NET CASH FROM OPERATING ACTIVITIES	82,898	61,496
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from maturities and sales of investments	178,073	131,019
Interest received on cash and investments	2,119	1,027
Purchase of investments	(182,741)	(143,793)
NET CASH FROM INVESTING ACTIVITIES	(2,549)	(11,747)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of electric plant	(808)	(991)
Interest paid on long-term debt	(38,231)	(39,884)
Principal repayment on long-term debt	(35,615)	(34,000)
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES	(74,654)	(74,875)
CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES		
Other proceeds	6,059	5,059
Refunds to participants	(8,622)	(6,905)
NET CASH FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES	(2,563)	(1,846)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,132	(26,972)
CASH AND CASH EQUIVALENTS		
Beginning of year	103,179	130,151
End of year	\$ 106,311	\$ 103,179

COMBINED STATEMENTS OF CASH FLOW-Continued

NORTHERN CALIFORNIA POWER AGENCY AND ASSOCIATED POWER CORPORATIONS

	Years Ended June 30,	
	2016	2015
	(in thousands)	
RECONCILIATION OF NET OPERATING REVENUES TO NET CASH FROM OPERATING ACTIVITIES		
Net operating revenues	\$ 45,594	\$ 45,215
Adjustments to reconcile net operating revenues to net cash from operating activities:		
Depreciation	30,645	31,140
	<u>76,239</u>	<u>76,355</u>
CASH FLOWS IMPACTED BY CHANGES IN		
Accounts receivable	966	608
Inventory, prepaid expense, and unused vendor credits	(661)	(661)
Operating reserves and other deposits	4,742	(3,314)
Regulatory credits	2,217	(4,776)
Accounts payable	1,011	(6,352)
Net pension liability and related amounts	(1,616)	(364)
NET CASH FROM OPERATING ACTIVITIES	<u>\$ 82,898</u>	<u>\$ 61,496</u>
CASH AND CASH EQUIVALENTS AS STATED IN THE COMBINED STATEMENT OF NET POSITION		
Cash and cash equivalents - current assets	\$ 49,642	\$ 45,593
Cash and cash equivalents - restricted assets	56,669	57,586
	<u>\$ 106,311</u>	<u>\$ 103,179</u>
End of year	\$ 106,311	\$ 103,179

NOTES TO COMBINED FINANCIAL STATEMENTS

NORTHERN CALIFORNIA POWER AGENCY AND ASSOCIATED POWER CORPORATIONS

NOTE A -- ORGANIZATION

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

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

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

NOTE B -- SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

NOTES TO COMBINED FINANCIAL STATEMENTS

NORTHERN CALIFORNIA POWER AGENCY AND ASSOCIATED POWER CORPORATIONS

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

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

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

Electric Plant Electric plant in service is recorded at historical cost. The cost of additions, renewals and betterments is capitalized; repairs and minor replacements are charged to operating expenses as incurred. The original cost of property retired, net of removal and salvage costs, is charged to accumulated depreciation. Depreciation expense is computed using the straight-line method over the estimated useful lives of the related assets. The provision for depreciation was approximately 2.0% of the average electric plant in service for the Agency during both 2016 and 2015. Depreciation is calculated using the following estimated lives:

Generation and Transmission	25 to 42 years
General Plant	5 to 25 years
Transportation Equipment	5 years

A summary of changes in electric plant for the year ended June 30, 2016 is as follows:

	Balance June 30, 2015	Additions	Deletions	Balance June 30, 2016
	(in thousands)			
Structures and Leasehold Improvements	\$ 319,069	\$ 58	\$ -	\$ 319,127
Reservoirs, Dams and Waterways	249,339	-	-	249,339
Equipment	757,310	898	(481)	757,727
Furniture and Fixtures	2,413	188	-	2,601
	1,328,131	1,144	(481)	1,328,794
Accumulated Depreciation	(881,412)	(30,645)	81	(911,976)
	446,719	(29,501)	(400)	416,818
Construction Work-In-Progress	44	63	-	107
Land and Land Rights	171,945	-	-	171,945
Electric Plant, Net	\$ 618,708	\$ (29,438)	\$ (400)	\$ 588,870

NOTES TO COMBINED FINANCIAL STATEMENTS

NORTHERN CALIFORNIA POWER AGENCY AND ASSOCIATED POWER CORPORATIONS

A summary of changes in electric plant for the year ended June 30, 2015 is as follows:

	Balance June 30, 2014	Additions	Deletions	Balance June 30, 2015
		(in thousands)		
Structures and Leasehold Improvements	\$ 318,554	\$ 515	\$ -	\$ 319,069
Reservoirs, Dams and Waterways	249,339	-	-	249,339
Equipment	757,944	293	(927)	757,310
Furniture and Fixtures	2,233	180	-	2,413
	1,328,070	988	(927)	1,328,131
Accumulated Depreciation	(851,199)	(31,140)	927	(881,412)
	476,871	(30,152)	-	446,719
Construction Work-In-Progress	41	714	(711)	44
Land and Land Rights	171,945	-	-	171,945
Electric Plant, Net	\$ 648,857	\$ (29,438)	\$ (711)	\$ 618,708

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

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

The items of expense that have been deferred are net pension liability and those originally paid from bond proceeds, including depreciation, certain bond amortizations, and interest paid from bond proceeds. These amounts are recorded to future recoverable amounts. Revenues used to acquire electric plant have also been deferred to future years. As of June 30, 2016 and 2015, the Agency had accumulated regulatory assets, net of regulatory credits, of approximately \$170,318,000 and \$172,675,000, respectively.

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

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

NOTES TO COMBINED FINANCIAL STATEMENTS

NORTHERN CALIFORNIA POWER AGENCY AND ASSOCIATED POWER CORPORATIONS

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

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

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

Rates Power sales to participants for their resale include both power generated by operating plants and power purchased from outside sources. Collection rates for power sales are designed to recover costs that include budgeted annual operating costs and debt service. Additional amounts for operating reserves or rate stabilization may be included in collection rates under the terms of bond indentures. During fiscal years 2016 and 2015, no amounts were specifically collected for rate stabilization.

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

Power, Transmission and Fuel Forward Transactions In the normal course of its business, the Agency is required to manage loads, resources, and energy price risk on behalf of its members. Consequently, the Agency buys and sells power, transmission, and fuel in wholesale markets as required. The Agency does not enter into such agreements solely for trading purposes. All such transactions are normal purchases and sales subject to settlement at the agreed to contract prices for quantities delivered. While authorized to transact forward purchase contracts for terms of up to five years, forward contract purchases at fiscal year ended June 30, 2016 were for periods not greater than four years duration beyond the current fiscal year. In the event of default, undelivered transactions are required to be marked-to-market subject to the following limitations. If the Agency, as buyer, is the defaulting entity, the Agency's termination settlement amount is capped at the agreed to contract cost for all future undelivered commodities. If the selling counterparty is the defaulting entity, the seller's termination settlement is not capped for all future undelivered commodities. The defaulting entity is also subject to resultant transmission charges, brokerage fees, attorney fees, and all other reasonable expenses. See Note H - Commitments and Contingencies, Power Purchase Contracts.

NOTES TO COMBINED FINANCIAL STATEMENTS

NORTHERN CALIFORNIA POWER AGENCY AND ASSOCIATED POWER CORPORATIONS

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

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

Investments - The fair values for investments are based on quoted market prices. See Note C - Investments.

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

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

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

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

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

The Agency and the Associated Power Corporations are intended to operate on a not-for-profit basis. Therefore, any balance of net position represents differences between total revenues collected, using collection rates based on estimated operating expenses and debt service, and the total actual expenses incurred. In subsequent periods of operation, excess collections (net of encumbrances) that the participating members do not direct be held by or released to the Agency, are refunded to the participating members. Estimated encumbrances at June 30, 2016 and 2015 were \$2,999,000 and \$2,792,000, respectively. In the event the Agency incurs a negative net position balance, the balance would be subject to recovery in collection rates under the terms of the related take-or-pay member agreements. See Note E – Projects And Related Financing.

Deferred Outflows and Inflows of Resources The statement of financial position includes a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred Outflows of Resources consist of excess cost on refunding of debt and pension deferrals. Pension contribution made in the current year is reported as deferred outflows of resources per GASB No. 71 as the CalPERS' valuation measurement date is June 30, 2015 those contributions will be expensed in fiscal year 2017.

NOTES TO COMBINED FINANCIAL STATEMENTS

NORTHERN CALIFORNIA POWER AGENCY AND ASSOCIATED POWER CORPORATIONS

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

Recent Accounting Pronouncements In February 2015, the GASB issued Statement No. 72, Fair Value Measurement and Application, effective for financial statements for years beginning after June 15, 2015. This statement clarifies the definition of fair value, establishes general principles for measuring fair value, provides additional fair value application guidance, and enhances disclosures about fair value measurements. This statement establishes a three-level hierarchy to the valuation techniques used to measure fair value. Disclosure is required to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques.

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

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

NOTE C -- INVESTMENTS

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

Investments at June 30, 2016

<u>Description</u>	Carrying Value	Fair Value	Wtd. Avg Maturity (In years)
	(in thousands)		
U.S. Agencies	\$ 169,717	\$ 176,966	2.75
TOTAL INVESTMENTS	\$ 169,717	\$ 176,966	

Investments at June 30, 2015

<u>Description</u>	Carrying Value	Fair Value	Wtd. Avg Maturity (In years)
	(in thousands)		
U.S. Agencies	\$ 171,016	\$ 170,989	2.43
TOTAL INVESTMENTS	\$ 171,016	\$ 170,989	

NOTES TO COMBINED FINANCIAL STATEMENTS

NORTHERN CALIFORNIA POWER AGENCY AND ASSOCIATED POWER CORPORATIONS

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

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

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

Credit Risk To mitigate the risk that an issuer will not fulfill its obligation to the investment, the Agency limits investments to those rated, at a minimum, A or equivalent for long/medium term notes by a nationally recognized statistical rating organization.

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

Concentration of Credit Risk This is the risk of loss attributed to the magnitude of an entity's investment in a single issuer. The Agency places no limit on the amounts invested in obligations of the U.S. Government and its agencies.

Interest Rate Risk Interest rate risk is the risk that changes in market interest rates may adversely affect the fair value of an investment. The Agency manages its exposure to interest rate risk by following a hold-to-maturity investment approach, purchasing a combination of shorter and longer term investments, and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

NOTE D -- FAIR VALUE MEASUREMENT

In February 2015, the GASB issued Statement No. 72, Fair Value Measurement and Application, effective for financial statements for years beginning after June 15, 2015. This statement clarifies the definition of fair value, establishes general principles for measuring fair value, provides additional fair value application guidance, and enhances disclosures about fair value measurements.

NOTES TO COMBINED FINANCIAL STATEMENTS

NORTHERN CALIFORNIA POWER AGENCY AND ASSOCIATED POWER CORPORATIONS

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

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

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

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

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

Fair Value of Swaps under GASB 72 – Fair values take into consideration the prevailing interest rate environment and the specific terms and conditions of a given transaction. The valuations of derivatives transactions provided are indicative values based on mid-market levels as of June 30, 2016. These valuations do not represent the actual terms at which new transactions could be entered into or the actual terms at which existing transactions could be liquidated. The valuations provided are derived from proprietary models based upon well-recognized financial principles and reasonable estimates about relevant future market conditions for interest rate swaps. The observability of inputs used to perform the measurement results in the swap fair values being categorized as Level 2.

NOTES TO COMBINED FINANCIAL STATEMENTS

NORTHERN CALIFORNIA POWER AGENCY AND ASSOCIATED POWER CORPORATIONS

The Agency has the following fair value measurements as of June 30, 2016:

		Fair Value Using (thousands)			
		Quoted prices in active markets for identical assets (Level 1)		Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
		June 30, 2016			
Investments by fair value level					
Debt Securities					
U.S governmental securities	\$	-	\$	-	\$
U.S agencies		176,966		176,966	-
Total debt securities		176,966		176,966	-
Total investments by fair value level		\$ 176,966	\$ 176,966	\$ -	\$ -
Derivative Instruments by fair value level					
Swap liability instruments	\$	(22,261)	\$	-	\$ (22,261)
Total Derivative Instruments by fair value level		\$ (22,261)	\$ -	\$ (22,261)	\$ -

NOTES TO COMBINED FINANCIAL STATEMENTS

NORTHERN CALIFORNIA POWER AGENCY AND ASSOCIATED POWER CORPORATIONS

The Agency had the following fair value measurements as of June 30, 2015:

	Fair Value Using (thousands)			
	June 30, 2015	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Investments by fair value level				
Debt Securities				
U.S governmental securities	\$ -	\$ -	\$ -	\$ -
U.S agencies	170,989	170,989	-	-
Total debt securities	170,989	170,989	-	-
Total investments by fair value level	\$ 170,989	\$ 170,989	\$ -	\$ -
Derivative Instruments by fair value level				
Swap liability instruments	\$ (16,535)	\$ -	\$ (16,535)	\$ -
Total Derivative Instruments by fair value level	\$ (16,535)	\$ -	\$ (16,535)	\$ -

NOTES TO COMBINED FINANCIAL STATEMENTS

NORTHERN CALIFORNIA POWER AGENCY AND ASSOCIATED POWER CORPORATIONS

NOTE E -- PROJECTS AND RELATED FINANCING

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

Certain of the revenue bonds are additionally supported by municipal bond insurance credit enhancements.

	Balance July 1, 2015	Additions	Retirements	Balance June 30, 2016	Current Portion
	(in thousands)				
Geothermal Project					
2009 Series A - Original Issue Amount \$35,610					
Serial, 4.00-5.50% through 2025	\$ 27,835	\$ -	\$ 2,190	\$ 25,645	\$2,300
2012 Series A - Original Issue Amount \$12,910					
Term, 2.289% due 2023	10,130	-	1,255	8,875	1,280
Add: Unamortized Premium	133	-	59	74	-
Total Geothermal Project	38,098	-	3,504	34,594	3,580
Hydroelectric Project - Original Issue Amount \$195,610					
1992 Refunding Series A					
Term, 6.30% due 2019	25,565	-	955	24,610	1,015
2008 Refunding Series A - Original Issue Amount \$85,160					
Term, adjustable rate-weekly reset, due 2033	85,160	-	-	85,160	-
2008 Refunding Series B (Taxable) - Original Issue Amount \$3,165					
Term, adjustable rate-weekly reset, due 2021	2,105	-	275	1,830	290
2008 Refunding Series C - Original Issue Amount \$128,005					
Serial, 4.00-5.00% through 2025	98,600	-	10,470	88,130	11,000
2010 Refunding Series A - Original Issue Amount \$101,260					
Serial, 4.00-5.00% through 2024	87,765	-	7,405	80,360	7,745
2012 Refunding Series A - Original Issue Amount \$76,665					
Serial, 5.00% through 2033	76,665	-	-	76,665	-
2012 Refunding Series B - Original Issue Amount \$7,120					
Serial, 4.32% through 2025	7,120	-	-	7,120	-
Add: Unamortized Premium, net	13,739	-	1,744	11,995	-
Total Hydroelectric Project	396,719	-	20,849	375,870	20,050
Capital Facilities Project - Original Issue Amount \$55,120					
2010 Refunding Series A					
Serial, 2.00-5.25% through 2026	44,655	-	3,585	41,070	3,670
Add: Unamortized Premium	1,167	-	210	957	-
Total Capital Facilities Project	45,822	-	3,795	42,027	3,670

NOTES TO COMBINED FINANCIAL STATEMENTS

NORTHERN CALIFORNIA POWER AGENCY AND ASSOCIATED POWER CORPORATIONS

	Balance July 1, 2015	Additions	Retirements (in thousands)	Balance June 30, 2016	Current Portion
Lodi Energy Center, Issue One					
2010 Series A - Original Issue Amount \$78,330					
Serial, 3.00-5.00% through 2020	28,230	-	5,110	23,120	5,365
Term, 5.00% due 2025	36,020	-	-	36,020	-
2010 Series B (Federally Taxable - Direct Payment Build America Bonds) - Original Issue Amount \$176,625					
Term, 7.311% due 2040	176,625	-	-	176,625	-
Lodi Energy Center, Issue Two					
2010 Series A - Original Issue Amount \$30,540					
Serial, 3.00-5.00% through 2019	18,640	-	4,370	14,270	4,585
2010 Series B (Federally Taxable - Direct Payment Build America Bonds) - Original Issue Amount \$110,225					
Term, 4.63% due 2020	5,210	-	-	5,210	-
Term, 5.679% due 2035	105,015	-	-	105,015	-
Add: Unamortized Premium	2,172	-	691	1,481	-
Total Lodi Energy Center Project	371,912	-	10,171	361,741	9,950
Total Long-Term Debt, Net	\$ 852,551	\$ -	\$ 38,319	\$ 814,232	\$37,250

Debt service requirements for each of the next five years and in five-year cumulative increments thereafter as of June 30, 2016:

	Principal	Interest (in thousands)	Total
2017	\$ 37,250	\$ 44,114	\$ 81,364
2018	39,230	42,399	81,629
2019	41,365	40,355	81,720
2020	41,830	38,182	80,012
2021	43,900	36,154	80,054
2022-2026	229,970	145,526	375,496
2027-2031	168,700	92,655	261,355
2032-2036	137,805	43,485	181,290
2037-2040	59,675	11,161	70,836
	\$ 799,725	\$ 494,031	\$ 1,293,756

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

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

NOTES TO COMBINED FINANCIAL STATEMENTS

NORTHERN CALIFORNIA POWER AGENCY AND ASSOCIATED POWER CORPORATIONS

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

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

		2016	2015
		(in thousands)	
Hydroelectric:	Project No. One, 1985 Series A	\$ 12,150	\$ 12,150
	Project No. One, 1986 Series A	36,960	36,960
	Total Defeased Debt Outstanding	\$ 49,110	\$ 49,110

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

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

As part of a refinancing plan in November 2004, the Agency entered into two forward starting interest rate swaps in an initial notional amount of \$85,160,000 and \$1,574,000. Payments under the swap agreements with Citigroup Financial Products, Inc. began on April 2, 2008. To complete the refinancing transaction and realize the debt service savings under the 2004 swap agreement, on April 2, 2008 the Agency completed a bond refunding of certain maturities of the 1998 Hydroelectric Refunding Series A bonds totaling \$85,870,000 maturing in 2023 to 2032. These fixed rate bonds were refinanced through the issuance of tax-exempt 2008 Hydroelectric Refunding Series A (\$85,160,000) bonds and taxable 2008 Hydroelectric Refunding Series B (\$3,165,000) bonds. Both issues are variable interest rate bonds bearing interest at weekly interest rates, payable semi-annually on July 1 and January 1 each year. To support this financing, the Agency entered into two irrevocable direct pay letter of credit agreements with Citibank N.A. The Citibank letters of credit were for a period of three years and were scheduled to expire on September 27, 2014. On September 10, 2014, the irrevocable letter of credit agreements with Citibank N.A. were terminated. Substitution letters of credit with the Bank of Montreal were issued the same day. The Bank of Montreal letters of credit are for a period of five years and expire on September 9, 2019.

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

NOTES TO COMBINED FINANCIAL STATEMENTS

NORTHERN CALIFORNIA POWER AGENCY AND ASSOCIATED POWER CORPORATIONS

The Agency has entered into two separate pay-fixed, receive-variable interest rate swaps to produce savings or to result in lower costs over the life of each transaction than what the Agency would have paid using fixed-rate debt. While these derivative instruments carry additional risks, the Agency's swap policy and favorable negotiations have helped to reduce such risks.

2008 Hydroelectric Refunding Revenue Bonds Forward Starting Swaps				
<u>Associated Interest Rate Swaps starting April 2, 2008</u>	<u>Series A</u>		<u>Series B (Taxable)</u>	
Counterparty to Interest Rate Swap	Citigroup Financial Products Inc.		Citigroup Financial Products Inc.	
Notional Value of Interest Rate Swap	\$ 85,160,000		\$1,205,627	
Fair Value--Due from (to) Counterparty	\$(22,600,074)		\$ 338,680	
Credit Downgrade Required Collateral Posting:				
For Counterparty, Fair Value Above	\$10 million		\$10 million	
If S&P or Moody's Credit Rating falls to	A+/A1		A+/A1	
For Agency (Credit of Agency's Insurer				
National Public Finance Guarantee				
formerly MBIA), Fair Value Above	\$10 million		\$10 million	
If S&P or Moody's Credit Rating falls to	A+/A1		A+/A1	
Termination Date	July 1, 2032		July 1, 2032	
	<u>Terms</u>	<u>Rates</u>	<u>Terms</u>	<u>Rates</u>
Payments to (from) Counterparty	Fixed	3.819 %	Fixed	(5.357) %
Variable Payments (from) to Counterparty	54% LIBOR+.54%*	<u>(0.724) %</u>	100% of LIBOR*	<u>0.326 %</u>
Net Interest Rate Swap Payments		3.095 %		(5.031) %
Variable-Rate Bond Payments	SIFMA**	<u>0.114 %</u>	SIFMA**	<u>0.454 %</u>
Effective Interest Rate on Bonds		<u>3.209 %</u>		<u>(4.577) %</u>

Average to Date: *1-Month London Inter-Bank Offered Rate

**Securities Industry and Financial Market Association Municipal Swap Index (formerly the
Bond Market Association Municipal Swap Index)

NOTES TO COMBINED FINANCIAL STATEMENTS

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The total fair value of outstanding swap instruments was a net liability of \$22,261,000 and \$16,535,000 at June 30, 2016 and June 30, 2015, respectively. These amounts are reported as a non-current liability. The interest rate swaps beginning in FY 2013 are both ineffective hedges and considered investment derivative instruments. The change in fair value of (\$5.8) million is recorded as interest expense in the Statement of Revenues, Expenses, and Changes in Net Position. The net settlement payments of interest on these investment derivative instruments total \$2.6 million, which is recorded as interest expense in the Statement of Revenues, Expenses, and Changes in Net Position for both FY 2016 and FY 2015. The value of the swaps noted above reflects the estimated fair value of the swaps at June 30, 2016 as determined by the Agency's financial advisor. The fair value of the swaps will change due to notional amount, amortizations, and interest rate changes.

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

To mitigate the potential for credit risk, the swap counterparties are required by the agreement to post collateral should the fair value exceed certain thresholds as shown above. At June 30, 2016, credit ratings of the counterparties to the swaps were as follows:

Swap Counterparty & Agency's Insurer	Standard & Poor's	Moody's
Citigroup Financial Products Inc.	A	A1
National Public Finance Guarantee formerly MBIA (the Agency's insurer)	AA-	A3

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

NOTES TO COMBINED FINANCIAL STATEMENTS

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

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

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

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

The Issue One Series B and the Issue Two Series B bonds were issued as Taxable Subsidy Bonds constituting Build America Bonds (BABs) for the purposes of the American Recovery and Reinvestment Act of 2009. The Act provides for a direct payment to the Agency from the federal government equal to 35% of the interest costs. The direct payment was reduced by 6.8% and 7.3% in 2016 and 2015, respectively, due to federal government budget sequestration. Such payments may continue to be affected by sequestrations.

NOTES TO COMBINED FINANCIAL STATEMENTS

NORTHERN CALIFORNIA POWER AGENCY AND ASSOCIATED POWER CORPORATIONS

NOTE F -- RETIREMENT PLAN

General Information about the Pension Plans

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

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

The Plans' provisions and benefits in effect at June 30, 2016, are summarized as follows:

Hire date	Prior to January 1, 2013	On or After January 1, 2013
Benefit formula	2.5% @ 55	2.0% @ 62
Benefit vesting schedule	5 full-time years	5 full-time years
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	60 - 67
Monthly benefits, as a % of eligible compensation	2.0% to 2.5%	2.0% to 2.5%
Required employee contribution rates	8.00%	6.50%
Required employer contribution rates	29.474%	29.474%

Employees Covered – At June 30, 2016 and 2015, the following employees were covered by the benefit terms for each Plan:

	<u>2016</u>	<u>2015</u>
Inactive employees or beneficiaries currently receiving benefits	118	115
Inactive employees entitled to but not yet receiving benefits	2	2
Active employees	<u>152</u>	<u>149</u>
Total	<u>272</u>	<u>266</u>

NOTES TO COMBINED FINANCIAL STATEMENTS

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Contributions Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the measurement period ended June 30, 2015 and 2014 (the measurement dates), the average active employee contribution rates were 7.881% and 7.866%, respectively, of annual pay and the Agency's contribution rates are 28.234% and 27.605%, respectively, of annual payroll. Employer contribution rates may change if plan contracts are amended.

Net Pension Liability

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

Actuarial Assumptions The total pension liabilities as of June 30, 2016 and 2015 were determined using the following actuarial assumptions:

	<u>2016</u>	<u>2015</u>
Valuation Date	June 30, 2014	June 30, 2013
Measurement Date	June 30, 2015	June 30, 2014
Actuarial Cost Method	Entry-Age Normal	Entry-Age Normal
Actuarial Assumptions:		
Discount Rate	7.65%	7.50%
Inflation	2.75%	2.75%
Payroll Growth	3.00%	3.00%
Projected Salary Increase	3.2%-12.2% (1)	3.3%-14.2% (1)
Investment Rate of Return	7.5% (2)	7.5% (2)
Mortality	(3)	(3)

(1) Depending on age and service.

(2) Net of pension plan investment expenses, including inflation.

(3) Derived using CalPERS' specific membership data with projected on-going mortality improvement using Scale BB published by the Society of Actuaries.

NOTES TO COMBINED FINANCIAL STATEMENTS

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Discount Rate The discount rate used to measure the total pension liability was 7.65% for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.65% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.65% will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB 68 section.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50% investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65%. For the year ended June 30, 2015, using this lower discount rate resulted in a slightly higher total pension liability and net pension liability. This difference was deemed immaterial to the agent multiple-employer plan.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 68 calculations through at least the 2017-2018 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as it has changed its methodology.

The expected rate of return on pension plan investments was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

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

NOTES TO COMBINED FINANCIAL STATEMENTS

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

Asset Class	New Strategic Allocation	Real Return Years 1-10 ¹	Real Return Years 11+ ²
Global Equity	51.00%	5.25%	5.71%
Global Fixed Income	19.00%	0.99%	2.43%
Inflation Sensitive	6.00%	0.45%	3.36%
Private Equity	10.00%	6.83%	6.95%
Real Estate	10.00%	4.50%	5.13%
Infrastructure and Forestland	2.00%	4.50%	5.09%
Liquidity	2.00%	-0.55%	-1.05%

¹ An expected inflation of 2.5% used for this period

² An expected inflation of 3.0% used for this period

Changes in the Net Pension Liability

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

Description	Increase/(Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2015	\$ 132,170,818	\$ 74,910,678	\$ 57,260,140
Service cost incurred	3,256,167	-	3,256,167
Interest on total pension liability	9,734,270	-	9,734,270
Differences between actual and expected experience	-	-	-
Change in assumption	(2,354,661)	-	(2,354,661)
Change in benefits	-	-	-
Contributions - employer	-	5,584,985	(5,584,985)
Contributions - employee	-	1,433,343	(1,433,343)
Projected earnings on investments	-	1,754,108	(1,754,108)
Differences between projected and actual earnings on plan investments	(1,437,389)	-	(1,437,389)
Benefit payments	(5,522,982)	(5,522,982)	-
Administrative expense	-	(87,934)	87,934
Net changes	3,675,405	3,161,520	513,885
Balance at June 30, 2016	\$ 135,846,223	\$ 78,072,198	\$ 57,774,025

NOTES TO COMBINED FINANCIAL STATEMENTS

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Sensitivity of the Net Pension Liability to Changes in the Discount Rate The following presents the net pension liability of the Plan, calculated using the discount rate, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.65%) or 1-percentage point higher (8.65%) than the current rate, rates for 2014 are net of administrative expenses:

	Discount Rate – 1% (6.65%)	Current Discount Rate (7.65%)	Discount Rate + 1% (8.65%)
Plan's Net Pension Liability	\$ 75,790,453	\$ 57,774,025	\$ 42,788,940

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

For the years ending June 30, 2016 and 2015, the Agency incurred pension expense of \$4,565,372 and \$5,173,811, respectively. At June 30, 2016 and 2015, the Agency has deferred outflows of resources and deferred inflows of resources related to pensions as follows:

2016	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 5,906,603	\$ -
Changes in assumptions	-	(1,794,027)
Differences between actual and expected experience	-	(1,095,154)
Net differences between projected and actual earnings on plan investments	3,185,968	(3,710,132)
Total	\$ 9,092,571	\$ (6,599,313)
2015	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 5,309,739	\$ -
Differences between actual and expected experience	-	-
Changes in assumptions	-	-
Net differences between projected and actual earnings on plan investments	-	(4,946,843)
Total	\$ 5,309,739	\$ (4,946,843)

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\$5,906,603 and \$5,309,739 reported as deferred outflows of resources related to contributions subsequent to the years ending June 30, 2016 and 2015, respectively, will be recognized as a reduction of the net pension liability in the year ended June 30, 2017 and 2016, respectively. Amounts reported as deferred outflows/(inflows) of resources related to pensions will be recognized in future pension expense as follows:

Measurement Period Ended June 30:	Deferred Outflows/(Inflows) of Resources
2017	\$ (1,343,088)
2018	(1,343,088)
2019	(1,343,087)
2020	615,918
2021	-
Thereafter	-
Total	<u>\$ (3,413,345)</u>

Payable to the Pension Plan

At June 30, 2016 and 2015, the Agency did not have an outstanding amount of contributions payable to the pension plan required for the years ended.

NOTE G -- OTHER POST EMPLOYMENT BENEFITS (OPEB)

The Agency contracts with the CalPERS under the Public Employees' Medical and Hospital Care Act (PEMHCA) for employee medical insurance. In connection with this plan, the Agency provides medical insurance to all active employees and their families, as well as all qualified retirees (and spouses), subject to certain limitations. The Agency has maintained an actuarially based restricted fund for the sole purpose of paying medical insurance premiums for qualified retired employees (and spouses) participating in the CalPERS medical plan. In 2007, the Agency became a participant in the CalPERS California Employers' Retiree Benefit Trust (CERBT), a pre-funding OPEB plan, which is an irrevocable multi-employer trust and plan consisting of an aggregation of single-employer plans, with pooled administrative and investment functions. The Agency makes actuarially determined Annual Required Contributions (ARC) to this OPEB plan. The ARC represents the forecast funding level to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. Actuarial valuations of the fund are obtained every two years, as required by CalPERS.

NOTES TO COMBINED FINANCIAL STATEMENTS

NORTHERN CALIFORNIA POWER AGENCY AND ASSOCIATED POWER CORPORATIONS

Summary of certain plan provisions and benefits in effect during fiscal year ended June 30, 2015:

Required service for eligibility	Pre-1/1/2009 Hires, 5 full-time years On or After 1/1/2009 Hires, 10 full-time years
Minimum retirement age	50
Benefit payments	Monthly for life
Vesting for eligible employees	Pre-1/1/2009 Hires, 100% at 5 years On or After 1/1/2009 Hires, 50% at 10 years; 5%/year after
Maximum monthly benefit	PERS Choice Premium

The annual required contribution and funded status of the OPEB plan were determined based on current cost trends of the CalPERS health plans in which the employees currently participate at the time of the actuarial valuation. The June 30, 2015 actuarial valuation was prepared on the basis of the OPEB assumption model, as prescribed by the CalPERS, in effect at the time of the valuation. At fiscal year-end June 30, 2016, the Agency had 142 active eligible employees and 115 retirees drawing benefits under this program.

Trend Information for the OPEB Plan

Fiscal Year Ended	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
June 30, 2012	\$ 1,016,826	100.0%	-
June 30, 2013	\$ 1,049,873	100.0%	-
June 30, 2014	\$ 1,154,574	100.0%	-
June 30, 2015	\$ 1,130,843	100.0%	-
June 30, 2016	\$ 1,255,010	100.0%	-

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Funded Status of the OPEB Fund

Actuarial Valuation Date	Actuarial Accrued Liability (a)	Actuarial Value of Assets (b)	Actuarial Accrued Unfunded Liability (a) - (b)	Funded Ratio (b) / (a)	Annual Covered Payroll (c)	Unfunded Actuarial Accrued Liability as % of Payroll [(a) - (b)] / (c)
June 30, 2008	\$ 16,114,250	\$ 12,213,980	\$ 3,900,270	75.8%	\$ 15,491,511	25.2%
June 30, 2010	\$ 18,936,156	\$ 13,975,353	\$ 4,960,803	73.8%	\$ 16,355,901	30.3%
June 30, 2011*	\$ 21,599,763	\$ 14,464,987	\$ 7,134,776	67.0%	\$ 16,672,248	42.8%
June 30, 2013	\$ 22,477,396	\$ 17,529,070	\$ 4,948,326	78.0%	\$ 17,564,711	28.2%
June 30, 2015**	\$ 36,724,032	\$ 22,291,159	\$ 14,432,873	60.7%	\$ 17,941,846	80.4%

* The discount rate was changed from 7.75%, which was used in all prior years' actuarial valuations, to 7.61% for June 30, 2011 through June 30, 2014, as prescribed by CalPERS.

** The discount rate was changed from 7.61% to 7.00% for the June 30, 2015 actuarial valuation, as prescribed by CalPERS.

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

The Agency's annual required contribution (based on actuarially established rates) was determined as part of a June 30, 2015, actuarial valuation using the entry age normal actuarial cost method. The primary actuarial assumptions included: valuation using the Entry Age Normal Cost Method, 7.00% annual discount rate, payroll growth of 0.29% to 10.87%, 2.50% inflation, and maximum employer contribution increases derived from the Getzen Model for developing long-term health care cost trends.

NOTE H -- COMMITMENTS AND CONTINGENCIES

Power Exchange Agreement On behalf of certain of its members, the Agency has entered into a seasonal exchange agreement with Seattle City Light whereby the companies exchange 60 megawatts of summer capacity and 90,580 megawatt hours of energy in exchange for a return of 46 megawatts of capacity and 108,696 megawatt hours of energy in the winter. The term of the agreement will terminate in May 2018.

Power Purchase Contracts The Agency had commitments of approximately \$19.0 million in connection with various power purchase contracts as of June 30, 2016. The contracts, extending through December 2017, are normal purchases at agreed to contract prices for fixed quantities of energy. Certain of the Agency's members have individually entered into certain other long-term contracts, which the Agency dispatches and schedules for them. See Note B - Summary of Significant Accounting Policies.

NOTES TO COMBINED FINANCIAL STATEMENTS

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

- A 30-year agreement terminating in October 2023 with various natural gas pipeline management companies under which the Agency has acquired firm natural gas pipeline transportation capacity in four separate natural gas pipelines between Alberta, Canada and northern California. The estimated minimum annual natural gas transmission commitment is approximately \$735,000. The Agency's firm natural gas pipeline transportation capacity is scheduled by Noble Americas Gas & Power Corp. pursuant to the term and conditions of an Asset Management Agreement for Pipeline Transportation Capacity that became effective on January 1, 2015.
- On behalf of the participants in the Combustion Turbine Project Number One and the Capital Facilities project, the Agency entered into an agreement with EDF Trading North America, LLC (EDF) effective January 1, 2013 to provide natural gas supply and scheduling, nomination, balancing and settlement services. The contract automatically renews each year on January 1, unless terminated earlier by six-months written notice by either party.
- The Agency and Mercuria Energy Gas Trading, LLC (Mercuria) have entered into an agreement to provide the gas supply and nomination, imbalance, and settlement services for the Agency's Lodi Energy Center project, which began operations at the end of November 2012.
- The Agency had approximately \$15.3 million of gas purchase commitments at June 30, 2016. The commitments, extending through December 2020, are normal purchases at agreed to prices for fixed quantities of gas.

Western Area Power Administration Base Resource A number of the Agency's members, who had an aggregate 17.53465% share through December 2014 and an aggregate share of 18.87957% beginning January 1, 2015 of the Base Resource Contract with the Western Area Power Administration to receive electric power from the Central Valley Project in California, have assigned their shares to the Agency in order to create a power resource portfolio for the mutual benefit of participating Agency members. The assignments terminate the earlier of December 31, 2024 or 60 days after Western approves a reassignment.

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

Geothermal Steam Production & Decommissioning Steam for the Agency's geothermal plants comes from lands in the Geysers area, which are leased by the Agency from the federal government. The Agency operates these steam-supply areas. Operation of the geothermal plants at high generation levels, together with high steam usage by others in the same area, resulted in a decline in the steam production from the steam wells at a rate greater than expected. As a result, by April 1988, for the purpose of slowing the decline in the steam field capability, the Agency changed its steam field production from base-load to load-following and reduced average annual generation. These changes were effective in reducing the decline in steam production.

NOTES TO COMBINED FINANCIAL STATEMENTS

NORTHERN CALIFORNIA POWER AGENCY AND ASSOCIATED POWER CORPORATIONS

Beginning in 1991, along with other steam field operators in the area, the Agency began implementing various operating strategies to further reduce the rate of decline in steam production. The Agency has modified both steam turbine units at Plant 1 and the associated steam collection system to enable generation with lower pressure steam at higher mass-flow rates to optimize the utilization of the available steam resource.

The Agency also entered into agreements with other producers in the Geysers area to finance and construct the Southeast Geysers Effluent Pipeline Project, which was completed in September 1997 and began operating soon thereafter. The 26-mile pipeline collects wastewater from Lake County Sanitation District treatment plants at Clearlake and Middletown and delivers the wastewater to the Agency and the other Geysers steam field operators for injection into the steam field. A second pipeline enhancement project to further augment the wastewater injection program was completed in 2004.

Based on current operating protocols and forecasted operations, the Agency expects both the average and peak capacity to continue to decrease, reaching approximately 66 MWG (megawatts gross) by calendar year 2039.

Under terms of the federal geothermal leasehold agreements, which became effective August 1, 1974, the leasehold had a 10-year primary term with provision for renewal as long thereafter as geothermal steam is produced or utilized, but not longer than 40 years. At the expiration of that period, if geothermal steam is still being produced, the Agency has preferential right to renew the leasehold for a second term. The leasehold also requires the Agency to remove its leasehold improvements including the geothermal plants and steam gathering system when, and if, the Agency abandons the leasehold. These decommissioning costs are currently estimated to total approximately \$29.4 million. The Agency has been collecting monies to pay the expected decommissioning costs since 2007 and currently holds approximately \$14.2 million in a reserve for such purpose as of June 30, 2016.

CLAIMS AND LITIGATION

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

Greenhouse Gas (GHG) Emissions The California Global Warming Solutions Act of 2006 (also known as California Assembly Bill 32 or AB 32) requires the gradual reduction of state-wide GHG emissions to the 1990 level by 2020. The California Air Resources Board (CARB) is the state agency charged with monitoring GHG levels and adopting regulations to implement and enforce AB 32. The CARB has approved various regulations, including regulations that established a state-wide, comprehensive “cap-and-trade” program that sets a gradually declining limit (or “cap”) on the amount of GHGs that may be emitted by the major sources of GHG emissions each year. GHG emissions are measured in metric tons (MT) of carbon dioxide-equivalent greenhouse gases (CO_{2e}) per year. The cap and trade program’s first two-year compliance period, which began January 1, 2013, applies to the electricity generation and large industrial sectors. The next compliance period, from January 1, 2015 through December 31, 2017, expanded to include the natural gas supply and transportation sectors, effectively covering all the capped sectors until 2020.

NOTES TO COMBINED FINANCIAL STATEMENTS

NORTHERN CALIFORNIA POWER AGENCY AND ASSOCIATED POWER CORPORATIONS

The Agency's Lodi Energy Center gas plant, Steam Injected Gas Turbine gas plant and electricity imports (purchased power) are subject to the compliance rules established by CARB for the cap-and-trade program. As such, the Agency acquires sufficient compliance instruments to cover its compliance obligations or receives transfers of required compliance instruments from its project participants. At June 30, 2015, the Agency had a cumulative compliance obligation of 1,185,797 MT with 1,543,824 MT of acquired allowances to meet its compliance obligation.

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

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

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

Claims

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

In December, 2015, the Hydroelectric Project Adit 4 Tunnel Spoils incurred water related damage that required remediation to stabilize the site and prevent further erosion to Clark Creek. The Adit 4 Tunnel Spoils (Spoils) are located approximately 1.5 miles up canyon from the Collierville Powerhouse in Calaveras County and are part of the water conveyance tunnel between McKays Point Diversion Dam and the Collerville Power House. Damage and reparation costs are estimated to be \$4.5 million, and construction is projected to occur in 2017. Insurance recovery is inestimable at this time.

NOTES TO COMBINED FINANCIAL STATEMENTS

NORTHERN CALIFORNIA POWER AGENCY AND ASSOCIATED POWER CORPORATIONS

NOTE I – SUBSEQUENT EVENTS

In October 2016, the Agency refunded \$15,705,000 principal amount of Geothermal Project No. 3 Revenue Refunding Bonds, Series A maturing on July 1 in each of the years 2017 through 2024. The refunding was completed through the issuance of \$17,530,000 fixed rate tax exempt debt (2016 Series A) with a yield of 1.67% with varying principal maturities ranging from \$265,000 to \$3,425,000 through July 1, 2024. The refunding is estimated to have decreased project debt service by an estimated \$1.69 million over the next 8 years, which results in an estimated economic gain to the Agency of approximately \$1.03 million.

Effective September 1, 2016, Mercuria assigned all rights to provide the gas supply and nomination, imbalance, and settlement services for the Agency's Lodi Energy Center Project to EDF Trading North America, LLC.

Required Supplementary Information

REQUIRED SUPPLEMENTARY INFORMATION

NORTHERN CALIFORNIA POWER AGENCY AND ASSOCIATED POWER CORPORATIONS

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

	FY 2016	FY 2015
Total Pension Liability		
Service cost	\$ 3,256,167	\$ 3,220,329
Interest on total pension liability	9,734,270	9,285,364
Differences between expected and actual experience	(1,437,389)	-
Changes in assumptions	(2,354,661)	-
Changes in benefits	-	-
Benefit payments, including refunds of employee contributions	(5,522,982)	(5,059,144)
Net change in total pension liability	3,675,405	7,446,549
Total pension liability - beginning	132,170,818	124,724,269
Total pension liability - ending (a)	\$ 135,846,223	\$ 132,170,818
Plan fiduciary net position		
Contributions - employer	\$ 5,584,985	\$ 5,507,642
Contributions - employee	1,433,343	1,410,488
Net investment income	1,754,108	10,868,237
Benefit payments	(5,522,982)	(5,059,144)
Administrative expense	(87,934)	-
Net change in plan fiduciary net position	3,161,520	12,727,223
Plan fiduciary net position - beginning	74,910,678	62,183,455
Plan fiduciary net position - ending (b)	\$ 78,072,198	\$ 74,910,678
Net pension liability - ending (a)-(b)	\$ 57,774,025	\$ 57,260,140
 Plan fiduciary net position as a percentage of the total pension liability	 57.47%	 56.68%
 Covered - employee payroll	 \$ 18,365,293	 \$ 17,596,462
 Net pension liability as percentage of covered-employee payroll	 314.58%	 325.41%

Notes to Schedule:

Benefit changes The figures above do not include any liability impact that may have resulted from plan changes, which occurred after June 30, 2015. This applies for voluntary benefit changes as well as any offers to Two Years Additional Service Credit (aka Golden Handshakes).

Changes in assumptions In 2016, GASB 68 was modified to state that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate was changed from 7.50 percent (net of administrative expense in 2014) to 7.65 percent as of June 30, 2015 measurement date to correct the adjustment which previously reduced the discount rate for administrative expense.

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

REQUIRED SUPPLEMENTARY INFORMATION - Continued

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

**Schedule of Plan Contributions
Last 10 Years ***

	<u>FY 2016</u>	<u>FY 2015</u>
Actuarially Determined Contribution	\$ 5,065,861	\$ 5,029,697
Contributions in Relation to the Actuarially Determined Contribution	(5,584,985)	(5,507,642)
Contribution Deficiency (Excess)	<u>\$ (519,124)</u>	<u>\$ (477,945)</u>
Covered-Employee Payroll ¹	\$ 18,365,293	\$ 17,596,462
Contributions as a Percentage of Covered-Employee Payroll ¹	30.41%	31.30%

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

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

OTHER FINANCIAL INFORMATION

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

June 30, 2016											
GENERATING & TRANSMISSION RESOURCES											
	Geothermal	Hydroelectric	Multiple Capital Facilities		CT No. One	Lodi Energy Center	Transmission No. One	Purchased Power & Transmission	Associated Member Services	Other Agency	Combined
			1	2							
ASSETS											
CURRENT ASSETS											
Cash and cash equivalents	\$ 1,912	\$ -	\$ -	\$ -	\$ -	\$ 71	\$ -	\$ -	\$ 231	\$ 49,337	\$ 49,642
Investments	55	-	-	-	-	-	-	-	-	22,209	22,209
Accounts receivable	1,967	159,012	13,077	13,077	-	19,158	(5)	-	-	-	55
Participants	87,016	383,221	42,401	42,401	2,352	431,418	-	37,420	6,076	143,665	1,133,569
Others	-	-	-	-	-	-	-	-	-	-	-
Interest receivable	-	-	-	-	-	-	-	-	-	-	-
Inventory and supplies - at average cost	-	-	-	-	-	-	-	-	-	-	-
Prepaid expenses	4,150	1,079	642	642	1,402	1,849	-	445	268	422	690
Due from Agency and other programs*	241	232	27	27	30	206	-	-	-	53	495
TOTAL CURRENT ASSETS	14,489	13,718	1,830	1,830	(1,209)	14,709	-	15,642	5,295	(64,474)	9,122
	18,883	15,029	2,500	2,500	224	16,859	-	16,130	5,810	7,931	1,088
RESTRICTED ASSETS											
Cash and cash equivalents	6,036	14,790	1,473	1,473	-	7,949	-	2,549	-	23,872	56,669
Investments	19,465	43,324	4,453	4,453	-	16,205	-	18,741	-	52,569	154,757
Interest receivable	65	110	16	16	-	20	-	-	-	122	333
TOTAL RESTRICTED ASSETS	25,566	58,224	5,942	5,942	-	24,174	-	21,290	-	76,563	211,759
ELECTRIC PLANT											
Electric plant in service	568,711	393,936	64,826	64,826	36,245	423,459	7,736	-	577	5,249	1,500,739
Less: accumulated depreciation	(528,111)	(242,980)	(43,944)	(43,944)	(34,117)	(52,334)	(7,731)	-	(311)	(2,448)	(911,976)
Construction work-in-progress	40,600	150,956	20,882	20,882	2,128	371,125	5	-	266	2,801	588,763
TOTAL ELECTRIC PLANT	40,000	150,956	20,882	20,882	2,128	371,227	5	-	266	5	107
OTHER ASSETS											
Regulatory assets	1,912	159,012	13,077	13,077	-	19,158	(5)	-	-	56,365	249,519
Unused vendor credits	55	-	-	-	-	-	-	-	-	-	-
TOTAL OTHER ASSETS	1,967	159,012	13,077	13,077	-	19,158	(5)	-	-	56,365	249,574
TOTAL ASSETS	87,016	383,221	42,401	42,401	2,352	431,418	-	37,420	6,076	143,665	1,133,569
DEFERRED OUTFLOWS OF RESOURCES											
Excess cost on refunding of debt	-	52,091	2,257	2,257	-	-	-	-	-	-	54,348
Pension contribution	-	-	-	-	-	-	-	-	-	9,093	9,093
TOTAL DEFERRED OUTFLOWS OF RESOURCES	-	52,091	2,257	2,257	-	-	-	-	-	9,093	63,441
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 87,016	\$ 435,312	\$ 44,658	\$ 44,658	\$ 2,352	\$ 431,418	\$ -	\$ 37,420	\$ 6,076	\$ 152,758	\$ 1,197,010

* Eliminated in Combination

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

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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 Year Ended June 30, 2016

	GENERATING & TRANSMISSION RESOURCES									
	Geothermal	Hydroelectric	Multiple Capital Facilities	CT No. One	Lodi Energy Center	Transmission	Purchased Power & Transmission	Associated Member Services	Other Agency	Combined
SALES FOR RESALE										
Participants	\$ 8,068	\$ 37,076	\$ 7,360	\$ 2,718	\$ 29,538	\$ -	\$ 221,529	\$ 21,671	\$ 141	\$ 328,101
Other third-party	29,803	16,999	328	571	38,980	-	37,863	-	-	124,544
TOTAL SALES FOR RESALE	37,871	54,075	7,688	3,289	68,518	-	259,392	21,671	141	452,645
OPERATING EXPENSES										
Purchased power	-	-	-	-	4,827	-	177,736	-	-	182,563
Operations	14,813	3,852	1,220	1,026	30,032	-	6,030	12,102	-	69,075
Transmission	880	817	52	(27)	915	-	81,072	4	-	83,713
Depreciation	3,898	9,415	2,212	178	14,601	16	-	34	291	30,645
Maintenance	8,338	3,837	888	1,523	7,994	-	-	95	-	22,675
Administrative and general	4,018	3,153	548	585	4,252	-	-	7,255	(1,431)	18,380
Intercompany (sales) purchases, net*	(546)	197	70	105	247	-	-	(73)	-	-
TOTAL OPERATING EXPENSES	31,401	21,271	4,990	3,390	62,868	16	264,838	19,417	(1,140)	407,051
NET OPERATING REVENUES	6,470	32,804	2,698	(101)	5,650	(16)	(5,446)	2,254	1,281	45,594
OTHER (EXPENSES) REVENUES										
Interest expense	(1,480)	(28,770)	(2,003)	-	(16,201)	-	-	-	-	(48,454)
Interest income	391	833	121	-	412	-	480	38	1,263	3,538
Other	271	23	761	39	4,523	-	-	220	219	6,056
TOTAL OTHER (EXPENSES) REVENUES	(818)	(27,914)	(1,121)	39	(11,266)	-	480	258	1,482	(38,860)
FUTURE RECOVERABLE AMOUNTS										
	(1,093)	625	(1,542)	-	2,767	16	-	-	(913)	(140)
REFUNDS TO PARTICIPANTS										
	(2,018)	(3,375)	8	338	1,286	-	(831)	(3,075)	(955)	(8,622)
INCREASE (DECREASE) IN NET POSITION	2,541	2,140	43	276	(1,563)	-	(5,997)	(563)	895	(2,028)
NET POSITION, Beginning of year										
	5,608	7,095	163	(459)	4,532	-	7,781	5,190	81	29,991
NET POSITION, End of year										
	\$ 8,149	\$ 9,235	\$ 206	\$ (183)	\$ 2,969	\$ -	\$ 1,984	\$ 4,627	\$ 976	\$ 27,963
Eliminated in Combination										

* Eliminated in Combination

OTHER FINANCIAL INFORMATION

COMBINING STATEMENT OF CASH FLOW

NORTHERN CALIFORNIA POWER AGENCY
AND ASSOCIATED POWER CORPORATIONS

(000's omitted)

For the Year Ended June 30, 2016

	GENERATING & TRANSMISSION RESOURCES										Other Agency	Combined Total
	Geothermal	Hydroelectric	Multiple Capital Facilities	CT No. One	Lodi Energy Center	Transmission	Purchased Power & Transmission	Associated Member Services				
CASH FLOWS FROM OPERATING ACTIVITIES												
Received from participants	\$ 7,251	\$ 37,097	\$ 7,276	\$ 2,534	\$ 32,710	\$ -	\$ -	\$ 21,559	\$ (305)	\$ -		\$ 329,651
Received from others	31,063	18,246	328	571	38,980	-	40,377	-	3,522	-		133,087
Payments for employee services	(11,135)	(4,978)	(841)	(1,104)	(5,638)	-	-	(9,851)	-	-		(33,547)
Payments to suppliers for goods and services	(18,005)	(6,747)	(1,863)	(1,998)	(47,312)	-	(260,222)	(8,764)	(1,382)	-		(346,293)
Payments from (to) other programs *	546	(197)	(70)	(105)	(247)	-	-	73	-	-		-
NET CASH FROM OPERATING ACTIVITIES	9,720	43,421	4,830	(102)	18,493	-	1,684	3,017	1,835	-		82,898
CASH FLOWS FROM INVESTING ACTIVITIES												
Proceeds from maturities and sales of investments	14,238	56,929	4,894	-	34,498	-	10,140	-	57,374	-		178,073
Interest received on cash and investments	283	449	48	-	250	-	399	38	652	-		2,119
Purchase of investments	(15,740)	(60,708)	(4,482)	-	(36,108)	-	(10,190)	-	(55,513)	-		(182,741)
NET CASH FROM INVESTING ACTIVITIES	(1,219)	(3,330)	460	-	(1,360)	-	349	38	2,513	-		(2,549)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES												
Acquisition and construction of electric plant	(20)	(311)	-	-	(108)	-	-	(167)	(202)	-		(808)
Interest paid on long-term debt	(1,608)	(17,629)	(2,059)	-	(16,935)	-	-	-	-	-		(38,231)
Principal repayment on long-term debt	(3,445)	(19,105)	(3,585)	-	(9,480)	-	-	-	-	-		(35,615)
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES	(5,073)	(37,045)	(5,644)	-	(26,523)	-	-	(167)	(202)	-		(74,654)
CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES												
Other proceeds	271	23	762	39	4,523	-	-	219	222	-		6,059
Refunds to participants	(2,018)	(3,375)	8	338	1,286	-	(831)	(3,075)	(955)	-		(8,622)
Payments from (to) other programs *	(1,056)	(1,575)	65	(275)	(233)	-	(322)	75	3,321	-		-
NET CASH FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES	(2,803)	(4,927)	835	102	5,576	-	(1,153)	(2,781)	2,588	-		(2,563)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	625	(1,881)	481	-	(3,814)	-	880	107	6,734	-		3,132
Beginning of year	5,412	16,671	993	1	11,834	-	1,669	124	66,475	-		103,179
End of year	\$ 6,037	\$ 14,790	\$ 1,474	\$ 1	\$ 8,020	\$ -	\$ 2,549	\$ 231	\$ 73,209	\$ -		\$ 106,311

* Eliminated in Combination

OTHER FINANCIAL INFORMATION

COMBINING STATEMENT OF CASH FLOW - Continued

NORTHERN CALIFORNIA POWER AGENCY
AND ASSOCIATED POWER CORPORATIONS

(000's omitted)

For the Year Ended June 30, 2016

GENERATING & TRANSMISSION RESOURCES									
Geothermal	Hydroelectric	Multiple Capital Facilities	CT No. One	Lodi Energy Center	Transmission	Purchased Power & Transmission	Associated Member Services	Other Agency	Combined
\$ 6,470 \$	32,804 \$	2,698 \$	(101) \$	5,650 \$	(16) \$	(5,446) \$	2,254 \$	1,281 \$	45,594
3,898	9,415	2,212	178	14,601	16	-	34	291	30,645
10,368	42,219	4,910	77	20,251	-	(5,446)	2,288	1,572	76,239
(2)	-	-	-	-	-	1,502	(244)	(290)	966
(596)	53	5	6	(327)	-	-	(16)	214	(661)
1,262	1,247	-	-	(2,625)	-	1,012	456	3,390	4,742
(817)	21	(84)	(184)	3,172	-	-	132	(23)	2,217
(495)	(119)	(1)	(1)	(1,978)	-	4,616	401	(1,412)	1,011
-	-	-	-	-	-	-	-	(1,616)	(1,616)
\$ 9,720 \$	43,421 \$	4,830 \$	(102) \$	18,493 \$	- \$	1,684 \$	3,017 \$	1,835 \$	82,898

NET CASH FROM OPERATING ACTIVITIES

CASH AND CASH EQUIVALENTS AS STATED IN THE
COMBINED STATEMENT OF NET POSITION

\$ 1 \$	- \$	1 \$	1 \$	71 \$	- \$	- \$	231 \$	49,337 \$	49,642
6,036	14,790	1,473	-	7,949	-	2,549	-	23,872	56,669
\$ 6,037 \$	14,790 \$	1,474 \$	1 \$	8,020 \$	- \$	2,549 \$	231 \$	73,209 \$	106,311

End of year

OTHER FINANCIAL INFORMATION

COMBINING STATEMENT OF NET POSITION

NORTHERN CALIFORNIA POWER AGENCY
AND ASSOCIATED POWER CORPORATIONS

(000's omitted)

June 30, 2015

GENERATING & TRANSMISSION RESOURCES										
	Multiple			Lodi		Purchased		Associated		Other
	Geothermal	Hydroelectric	Capital Facilities	CT	No. One	Energy Center	Transmission	Power & Transmission	Member Services	Agency
	\$	1 \$	- \$	1 \$	1 \$	71 \$	- \$	- \$	124 \$	45,395 \$
Cash and cash equivalents	-	-	-	-	-	-	-	-	-	24,067
Investments	-	-	-	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	-	-	-	-
Participants	-	-	-	-	-	-	-	-	24	24
Other	-	-	-	-	-	-	-	1,947	-	180
Interest receivable	-	-	-	-	-	12	-	33	-	41
Inventory and supplies - at average cost	3,551	1,079	642	1,402	1,475	1,475	-	-	-	86
Prepaid expenses	299	285	32	36	253	253	-	-	-	8,149
Due from Agency and other programs*	13,433	12,143	1,896	(1,484)	14,476	14,476	-	15,320	5,368	1,455
	17,284	13,507	2,571	(45)	16,287	-	-	17,300	5,516	9,081
TOTAL CURRENT ASSETS										81,501
RESTRICTED ASSETS										
Cash and cash equivalents	5,411	16,671	992	-	11,763	-	-	1,669	-	21,080
Investments	17,884	39,174	4,792	-	14,447	-	-	18,620	-	52,005
Interest receivable	37	98	16	-	18	-	-	-	-	92
	23,332	55,943	5,800	-	26,228	-	-	20,289	-	73,177
TOTAL RESTRICTED ASSETS										204,769
ELECTRIC PLANT										
Electric plant in service	568,691	393,706	64,826	36,245	423,410	7,736	-	-	410	5,052
Less: accumulated depreciation	(524,213)	(233,646)	(41,732)	(33,938)	(37,734)	(7,715)	-	-	(277)	(2,157)
	44,478	160,060	23,094	2,307	385,676	21	-	-	133	2,895
Construction work-in-progress	-	-	-	-	44	-	-	-	-	-
	44,478	160,060	23,094	2,307	385,720	21	-	-	133	2,895
TOTAL ELECTRIC PLANT										618,708
OTHER ASSETS										
Regulatory assets	3,004	158,387	14,619	-	16,391	(21)	-	-	-	57,279
	88,098	387,897	46,084	2,262	444,626	-	-	37,589	5,649	142,432
TOTAL ASSETS										1,154,637
DEFERRED OUTFLOWS OF RESOURCES										
Excess costs on refundings of debt	-	59,660	2,454	-	-	-	-	-	-	-
Pension contribution	-	-	-	-	-	-	-	-	-	-
	-	59,660	2,454	-	-	-	-	-	-	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES										67,424
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	88,098 \$	447,557 \$	48,538 \$	2,262 \$	444,626 \$	- \$	- \$	37,589 \$	5,649 \$	147,742 \$
										1,222,061

* Eliminated in Combination

OTHER FINANCIAL INFORMATION

COMBINING STATEMENT OF NET POSITION

NORTHERN CALIFORNIA POWER AGENCY
AND ASSOCIATED POWER CORPORATIONS

(000's omitted)

(000's omitted)

June 30, 2015

GENERATING & TRANSMISSION RESOURCES

	Multiple						Lodi	Purchased Power & Transmission	Associated Member Services	Other Agency	Combined
	Geothermal	Hydroelectric	Facilities	No. One	CT	Energy Center					
\$	667	\$ 706	\$ 2	\$ 1	\$ 3,463	\$ -	\$ 9,486	\$ -	\$ 9,137	\$ 23,462	
Accounts payable	791	-	-	-	-	-	-	-	-	993	
Member advances	6,995	250	513	250	13,177	-	-	202	-	21,185	
Operating reserves	3,445	19,105	3,585	-	9,480	-	-	-	-	35,615	
Current portion of long-term debt	835	8,839	881	-	1,414	-	-	-	-	11,969	
Accrued interest payable											
TOTAL CURRENT LIABILITIES	12,733	28,900	4,981	251	27,534	-	9,486	202	9,137	93,224	
NON-CURRENT LIABILITIES											
Net pension liability	-	-	-	-	-	-	-	-	-	57,260	
Operating reserves and other deposits	13,690	13,382	-	-	5,491	-	20,322	124	73,176	126,185	
Interest rate swap liability	-	16,535	-	-	-	-	-	-	-	16,535	
Long-term debt, net	34,653	377,614	42,237	-	362,432	-	-	-	-	816,936	
TOTAL NON-CURRENT LIABILITIES	48,343	407,531	42,237	-	367,923	-	20,322	124	130,436	1,016,916	
TOTAL LIABILITIES	61,076	436,431	47,218	251	395,457	-	29,808	326	139,573	1,110,140	
DEFERRED INFLOWS OF RESOURCES											
Regulatory credits	21,414	4,031	1,158	2,470	44,637	-	-	133	3,141	76,984	
Pension earnings	-	-	(1)	-	-	-	-	-	4,947	4,946	
TOTAL DEFERRED INFLOWS OF RESOURCES	21,414	4,031	1,157	2,470	44,637	-	-	133	8,088	81,930	
NET POSITION											
Net investment in capital assets	(7,308)	(33,432)	(6,761)	-	(13,470)	-	-	-	-	(60,971)	
Restricted	7,935	43,162	4,919	-	8,672	-	-	-	-	64,688	
Unrestricted	4,981	(2,635)	2,005	(459)	9,330	-	7,781	5,190	81	26,274	
TOTAL NET POSITION	5,608	7,095	163	(459)	4,532	-	7,781	5,190	81	29,991	
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	88,098	\$ 447,557	\$ 48,538	\$ 2,262	\$ 444,626	\$ -	\$ 37,589	\$ 5,649	\$ 147,742	\$ 1,222,061	

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 Year Ended June 30, 2015

	GENERATING & TRANSMISSION RESOURCES									
	Multiple			Lodi		Transmission		Purchased		Combined
	Geothermal	Hydroelectric	Capital Facilities	CT	Energy Center	Transmission	Power & Transmission	Associated Member Services	Other Agency	
SALES FOR RESALE										
Participants	\$ 5,465	\$ 42,204	\$ 8,184	\$ 4,129	\$ 20,612	\$ -	\$ 185,770	\$ 21,382	\$ 99	\$ 287,845
Other third-party	29,859	10,405	126	345	71,198	-	24,109	-	-	136,042
TOTAL SALES FOR RESALE	35,324	52,609	8,310	4,474	91,810	-	209,879	21,382	99	423,887
OPERATING EXPENSES										
Purchased power	-	-	-	-	7,177	-	145,856	-	-	153,033
Operations	14,188	3,131	1,171	1,084	54,029	-	5,648	11,366	-	90,617
Transmission	1,185	1,582	12	80	138	-	57,138	4	-	60,139
Depreciation	4,544	9,400	2,212	178	14,600	16	-	55	135	31,140
Maintenance	6,478	3,242	1,418	1,913	8,546	-	-	62	-	21,659
Administrative and general	4,055	4,271	525	558	4,112	-	-	7,473	1,090	22,084
Intercompany (sales) purchases, net *	(843)	317	119	97	432	-	-	(122)	-	-
TOTAL OPERATING EXPENSES	29,607	21,943	5,457	3,910	89,034	16	208,642	18,838	1,225	378,672
NET OPERATING REVENUES	5,717	30,666	2,853	564	2,776	(16)	1,237	2,544	(1,126)	45,215
OTHER (EXPENSES) REVENUES										
Interest expense	(1,599)	(24,708)	(2,101)	-	(16,477)	-	-	-	-	(44,885)
Interest income	160	371	60	-	179	-	130	10	519	1,429
Other	32	(232)	659	4	4,214	-	-	31	488	5,196
TOTAL OTHER EXPENSES	(1,407)	(24,569)	(1,382)	4	(12,084)	-	130	41	1,007	(38,260)
FUTURE RECOVERABLE AMOUNTS	(1,507)	(3,357)	(1,464)	-	3,773	16	-	-	247	(2,292)
REFUNDS TO PARTICIPANTS	(1,801)	(1,178)	14	(130)	459	-	(1,503)	(2,252)	(514)	(6,905)
INCREASE IN NET POSITION	1,002	1,562	21	438	(5,076)	-	(136)	333	(386)	(2,242)
NET POSITION, Beginning of year	4,606	5,533	142	(897)	9,608	-	7,917	4,857	467	32,233
NET POSITION, End of Year	\$ 5,608	\$ 7,095	\$ 163	\$ (459)	\$ 4,532	\$ -	\$ 7,781	\$ 5,190	\$ 81	\$ 29,991

* Eliminated in Combination

OTHER FINANCIAL INFORMATION

COMBINING STATEMENT OF CASH FLOW

NORTHERN CALIFORNIA POWER AGENCY
AND ASSOCIATED POWER CORPORATIONS

(000's omitted)

For the Year Ended June 30, 2015

	GENERATING & TRANSMISSION RESOURCES										Combined Total
	Geothermal	Hydroelectric	Multiple Capital Facilities	CT No. One	Lodi Energy Center	Transmission	Purchased Power & Transmission	Associated Member Services	Other Agency		
CASH FLOWS FROM OPERATING ACTIVITIES											
Received from participants	\$ 3,078	\$ 41,964	\$ 8,100	\$ 2,670	\$ 19,187	\$ -	\$ 185,788	\$ 21,385	\$ 527	\$ 282,699	
Received from others	29,958	10,408	127	349	71,198	-	25,459	-	(20)	137,479	
Payments for employee services	(8,130)	(3,538)	(696)	(944)	(4,166)	-	-	(7,691)	(6,953)	(32,118)	
Payments to suppliers for goods and services	(15,204)	(8,063)	(2,017)	(2,435)	(60,493)	-	(217,168)	(11,239)	(9,945)	(326,564)	
Payments from (to) other programs *	842	(317)	(119)	(97)	(432)	-	-	123	-	-	
NET CASH FROM OPERATING ACTIVITIES	10,544	40,454	5,395	(457)	25,294	-	(5,921)	2,578	(16,391)	61,496	
CASH FLOWS FROM INVESTING ACTIVITIES											
Proceeds from maturities and sales of investments	11,211	26,613	3,901	-	23,743	-	15,693	-	49,858	131,019	
Interest received on cash and investments	146	258	38	-	211	-	146	10	218	1,027	
Purchase of investments	(12,782)	(36,820)	(4,548)	-	(21,081)	-	(15,682)	-	(52,880)	(143,793)	
NET CASH FROM INVESTING ACTIVITIES	(1,425)	(9,949)	(609)	-	2,873	-	157	10	(2,804)	(11,747)	
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES											
Acquisition and construction of electric plant	(188)	(24)	-	-	(85)	-	-	(81)	(613)	(991)	
Interest paid on long-term debt	(1,743)	(18,537)	(2,184)	-	(17,420)	-	-	-	-	(39,884)	
Principal repayment on long-term debt	(3,305)	(18,235)	(3,435)	-	(9,025)	-	-	-	-	(34,000)	
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES	(5,236)	(36,796)	(5,619)	-	(26,530)	-	-	(81)	(613)	(74,875)	
CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES											
Other proceeds	32	(232)	658	4	4,216	-	-	31	350	5,059	
Refunds to participants	(1,800)	(1,178)	14	(130)	458	-	(1,503)	(2,252)	(514)	(6,905)	
Payments from (to) other programs *	(1,647)	(1,566)	(290)	583	(2,888)	-	8,116	(288)	(2,020)	-	
NET CASH FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES	(3,415)	(2,976)	382	457	1,786	-	6,613	(2,509)	(2,184)	(1,846)	
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS											
Beginning of year	4,944	25,938	1,444	1	8,411	-	820	126	88,467	130,151	
End of year	\$ 5,412	\$ 16,671	\$ 993	\$ 1	\$ 11,834	\$ -	\$ 1,669	\$ 124	\$ 66,475	\$ 103,179	

* Eliminated in Combination

OTHER FINANCIAL INFORMATION

COMBINING STATEMENT OF CASH FLOW - Continued

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

For the Year Ended June 30, 2015

GENERATING & TRANSMISSION RESOURCES											
Geothermal	Hydroelectric	Multiple Capital Facilities		CT No. One	Lodi Energy Center		Transmission	Purchased Power & Transmission	Associated Member Services	Other Agency	Combined
\$	5,717 \$	30,668 \$	2,853 \$	564 \$	2,775 \$	(16) \$	1,237 \$	2,544 \$	(1,127) \$	45,215	
4,544	9,401	2,212	178	14,599	16	55	135	31,140	76,355		
10,261	40,069	5,065	742	17,374	-	1,237	2,599	(992)	608		
99	3	-	4	-	-	546	(24)	(20)	(661)		
(154)	42	5	6	(262)	-	-	-	(298)	(3,314)		
3,659	1,069	417	257	6,262	-	822	(2)	(15,798)	(4,776)		
(2,388)	(240)	(83)	(1,458)	(1,425)	-	-	28	790	(6,352)		
(933)	(489)	(9)	(8)	3,345	-	(8,526)	(23)	291	(364)		
-	-	-	-	-	-	-	-	-	-		
\$	10,544 \$	40,454 \$	5,395 \$	(457) \$	25,294 \$	- \$	(5,921) \$	2,578 \$	(16,391) \$	61,496	

NET CASH FROM OPERATING ACTIVITIES

CASH FLOWS IMPACTED BY CHANGES IN

Accounts receivable
Inventory and prepaid expense
Operating reserves and other deposits
Regulatory credits
Accounts payable
Pension liability and pension deferrals

CASH AND CASH EQUIVALENTS AS STATED IN THE
COMBINED STATEMENT OF NET POSITION

Cash and cash equivalents - current
Cash and cash equivalents - restricted

End of year

\$	1	\$	-	\$	1	\$	1	\$	71	\$	-	\$	-	\$	124	\$	45,395	\$	45,593
5,411	16,671	992	-	11,763	-	1,669	-	21,080	57,586										
\$	5,412	\$	16,671	\$	993	\$	1	\$	11,834	\$	-	\$	1,669	\$	124	\$	66,475	\$	103,179


GENERATION ENTITLEMENT SHARES - UNAUDITED

NORTHERN CALIFORNIA POWER AGENCY
AND ASSOCIATED POWER CORPORATIONS

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

Note A: Project Entitlement shares are after transfers among participants.

Note B: Project Generation Shares may vary from project cost shares due to varied financing and fuel supply arrangements.



Communications to Those Charged
with Governance and
Internal Control Related Matters for

**Northern California Power Agency
and Associated Power Corporations**

June 30, 2016

MOSS-ADAMS_{LLP}

Certified Public Accountants / Business Consultants

COMMUNICATIONS WITH THOSE CHARGED WITH GOVERNANCE

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

We have audited the combined financial statements of Northern California Power Agency and Associated Power Corporations (the Agency) as of and for the year ended June 30, 2016, and have issued our report thereon dated October 19, 2016. Professional standards require that we provide you with the following information related to our audit.

OUR RESPONSIBILITY UNDER AUDITING STANDARDS GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA

As stated in our engagement letter dated May 9, 2016, our responsibility, as described by professional standards, is to form and express an opinion about whether the combined financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the combined financial statements does not relieve you or management of your responsibilities.

Our responsibility is to plan and perform the audit in accordance with generally accepted auditing standards and to design the audit to obtain reasonable, rather than absolute, assurance about whether the combined financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control over financial reporting. Accordingly, we considered the Agency's internal control solely for the purposes of determining our audit procedures and not to provide assurance concerning such internal control.

We are also responsible for communicating significant matters related to the combined financial statement audit that, in our professional judgment, are relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

PLANNED SCOPE AND TIMING OF THE AUDIT

We performed the audit according to the planned scope and timing previously communicated to you in the engagement letter and planning discussions.

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SIGNIFICANT AUDIT FINDINGS

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Agency are described in Note B to the combined financial statements. There were no changes in the application of existing policies during 2016. Effective for fiscal year ended June 30, 2016, the Agency adopted GASB Statement of Government Accounting Standards No. 72, Fair Value Measurement and Application. This Statement establishes standards for fair value measurements of assets and liabilities. The definition of fair value is the price in an orderly transaction between market participants at the measurement date. In previous years, management has been recording all assets and liabilities that meet the scope of Statement No. 72 at fair market value, as such, no restatement of prior year numbers were required as a result of the implementation. We noted no transactions entered into by the Agency during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the combined financial statements in a different period than when the transaction occurred.

Significant Accounting Estimates

Accounting estimates are an integral part of the combined financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the combined financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the combined financial statements are the recovery periods for the cost of plant (depreciation), regulatory assets and liabilities, fair value of investments and swaps, retirement and other post-employment benefits (OPEB).

Management's estimates are based on acceptable industry practices. We have evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the combined financial statements taken as a whole.

Financial Statement Disclosures

The disclosures in the combined financial statements are consistent, clear and understandable. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

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Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no misstatements detected as a result of audit procedures.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 19, 2016.

Management Consultation with Other Independent Accountants

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

Independence

Generally accepted auditing standards require us to be independent for the Agency's audit. We are aware of no situations or conditions that arose that would impair our independence in appearance or fact.

Other Significant Audit Findings or Issues

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

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

Moss Adams LLP

Portland, Oregon

October 19, 2016

MOSS ADAMS LLP
Certified Public Accountants | Business Consultants

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

We have audited, in accordance with auditing standards generally accepted in the United States of America, the combined statement of net position of Northern California Power Agency and Associated Power Corporations (the Agency) as of June 30, 2016, the related combined statements of revenues, expenses and changes in net position and cash flow for the year then ended and the related notes to the financial statements, and have issued our report thereon dated October 19, 2016.

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

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

Moss Adams LLP

Portland, Oregon
October 19, 2016

Priority
2016/10/19

Attachment A

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

MOSS ADAMS LLP
Certified Public Accountants | Business Consultants

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

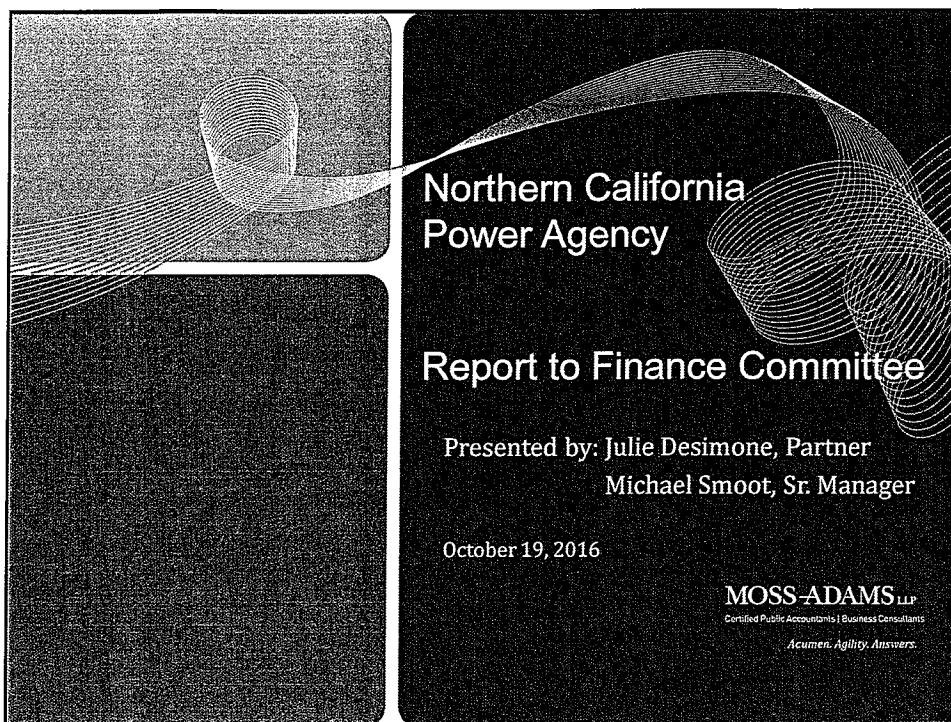
We have audited, in accordance with auditing standards generally accepted in the United States of America, the combined statement of net position of Northern California Power Agency and Associated Power Corporations (the Agency) as of June 30, 2016, the related combined statements of revenues, expenses and changes in net position and cash flow for the year then ended and the notes to the financial statements, and have issued our report thereon dated October 19, 2016.

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

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

Moss Adams LLP

Portland, Oregon
October 19, 2016



AGENDA

- Acknowledgements
- Results of Audit Process
- Committee Communications
- New Standards

ACKNOWLEDGEMENTS

- Thank You
 - Prepared
 - Open
 - Responsive
 - Very Knowledgeable and Informative

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RESULTS OF AUDIT PROCESS (IN PROCESS)

- Auditor's Report
 - Expect to have Unmodified (What you want!)
- Posted Adjustments
 - None at this time
- Passed Adjustments
 - None at this time
- No Material Weaknesses or Significant Deficiencies Noted

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COMMITTEE COMMUNICATIONS

- Auditor's Responsibility under GAAS
 - What is an audit? Financial Statements not Internal Controls
 - Design and Implementation of Controls
 - Risk of Material Misstatement – Error or Fraud
 - IT Controls
- Your Statements
- Fraud and Illegal Acts – no findings
- Reasonable Assurance

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COMMITTEE COMMUNICATIONS

- Significant accounting policies
 - Note B – Nothing unusual or aggressive (deferred expenses to be recovered in future years)
- Accounting estimates – Typical for the industry
- No disagreements with management, consultation with other independent accountants or difficulties encountered in performing the audit
- No Independence Issues

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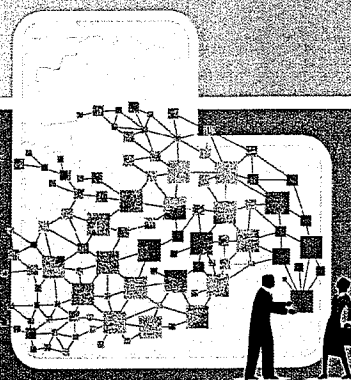
NEW STANDARDS

- This Year –
 - GASB 72 –Fair Value Measurement and Application
 - Fair Value – Exit Price
- On the horizon –
 - GASB 75 – Accounting and Financial Reporting for Other Post Employment Benefits

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QUESTIONS OR COMMENTS?

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Commission Staff Report

October 18, 2016

COMMISSION MEETING DATE: October 27, 2016

SUBJECT: Approval of Updated Lodi Energy Center (LEC) Exhibit 8 to the Project Management and Operations Agreement Schedule 1.00

AGENDA CATEGORY: Consent

FROM:	Robert Caracristi <i>RSC</i>	METHOD OF SELECTION:
	Manager, Information Services and Power Settlements	N/A
Division:	Administrative Services	
Department:	Information Services	

IMPACTED MEMBERS:		
All Members	<input type="checkbox"/>	
Alameda Municipal Power	<input type="checkbox"/>	
Bay Area Rapid Transit	<input checked="" 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 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 checked="" type="checkbox"/>	
City of Azusa, CDWR, Modesto Irrigation District, Power and Water Resources Pooling Authority		

RECOMMENDATION:

NCPA staff recommends that the Commission approve the changes to Exhibit 8 of PMOA Schedule 1.00 as attached to this staff report and described herein.

BACKGROUND:

NCPA and the LEC Project Participants executed the Lodi Energy Center Project Management and Operations Agreement (PMOA), which became effective on August 1, 2010. The PMOA contains multiple Schedules, which provide procedures and protocols, and guidelines regarding Project operations. Pursuant to the PMOA, Schedules can be revised, deleted or added from time to time based on then existing operating or market conditions, and subject to the approval of the Project Participant Committee (PPC), and with regard to certain Schedules, approval additionally by the NCPA Commission when such Schedules "could be reasonably viewed as having an impact on other NCPA projects." (PMOA, Article 10).

Staff is recommending changes to Exhibit 8 of PMOA Agreement Schedule 1.00, which identifies CAISO settlement charge codes that are applicable to the LEC Project and their respective allocation basis to Project Participants. A completed "marked" version of the proposed Exhibit 8 is attached to this staff report reflecting the specific changes staff is recommending.

Updates to Exhibit 8 are necessary to reflect the addition of new settlement charge codes associated with the CAISO's implementation of its Flexible Ramping Product (FRP) and Resource Adequacy Availability Incentive Mechanism (RAAIM) that are both scheduled for implementation effective November 1, 2016. In addition, Exhibit 8 has been modified to indicate a number of existing, related settlement charge codes that are scheduled to be retired by the CAISO effective October 31, 2016.

The settlement allocation methodology for payments or charges associated with FRP and RAAIM settlement charge codes listed in Exhibit 8 are assessed to the LEC Project based on CAISO settlement rules that similarly apply to all generating resources that operate within the CAISO Balancing Authority Area through use of a Participating Generator Agreement (PGA). This settlement treatment applies to all other PGA resources that operate within the NCPA scheduling coordinator portfolio as described in Appendix B to the Scheduling Coordination Program Agreement (SCPA), which details the allocation of CAISO revenues and costs to NCPA Members. Accordingly, all NCPA participants and members who receive scheduling coordination services for PGA resources from the NCPA scheduling coordinator portfolio are settled for the new FRP and RAAIM products in a similar, equitable manner.

FISCAL IMPACT:

No significant costs will be incurred to implement the changes to the PMOA Schedules and funds are available in the NCPA budget to support the work associated with this contract update.

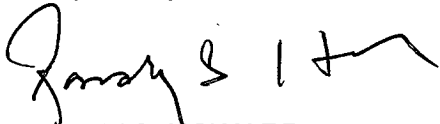
ENVIRONMENTAL ANALYSIS:

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 LEC PPC on October 10, 2016 and was approved on consent.

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:

- Resolution 16-76
- Redline copy of Exhibit 8 of PMOA Agreement Schedule 1.00

RESOLUTION 16-76

**RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY
APPROVING REVISED EXHIBIT 8 TO THE PROJECT MANAGEMENT AND
OPERATIONS AGREEMENT SCHEDULE 1.00 FOR THE LODI ENERGY
CENTER**

(reference Staff Report #210:16)

WHEREAS, on April 22, 2010 the Northern California Power Agency Commission adopted Resolution 10-20 authorizing the NCPA General Manager to execute the Lodi Energy Center (LEC) Project Management and Operations Agreement (PMOA); and

WHEREAS, PMOA Article 10 provides, in part, that Schedules to the PMOA may be revised from time to time by the Project Participant Committee (PPC), and with respect to certain Schedules, revisions or changes must additionally be approved by the NCPA Commission; and

WHEREAS, Exhibit 8 to PMOA Agreement Schedule 1.00 is directly related to California Independent System Operator (CAISO) market settlements and are subject to change from time to time; and

WHEREAS, Exhibit 8 to the PMOA Agreement Schedule 1.00 has been updated to reflect the addition of new settlement charge codes associated with the CAISO's implementation of its Flexible Ramping Product (FRP) and Resource Adequacy Availability Incentive Mechanism (RAAIM); and

WHEREAS, on October 10, 2016 the PPC approved revised Exhibit 8 to PMOA Agreement Schedule 1.00; 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 hereby approves revised Exhibit 8 to PMOA Agreement Schedule 1.00.

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	_____	_____	_____

BOB LINGL
CHAIR

ATTEST: _____
CARY A. PADGETT
ASSISTANT SECRETARY

EXHIBIT 8

Settlement of CAISO Charge Codes and Allocations to Participants

The Project will utilize NCPA's current CAISO SCID. The CAISO Settlement Charges shall be determined by the CAISO Tariff and is typically available on the CAISO's website as "ISO Market Charge Codes Matrix" that the CAISO updates periodically. Below is a subset of CAISO Market Charge Codes that apply to the Project.

Charge Code	Charge Code Name	Short Description	Allocation Basis
4512	GMC Inter-Scheduling Coordinator Trade Transaction Fee	Accounts for Inter-SC Trade (IST) Schedules in both the Day Ahead and Real Time Markets.	Allocated to the Project Participant/s who initiated the Trade based on unique scheduling SC IST name
4515	GMC Bid Transaction Fee	Accounts for the CAISO fee per bid segment for each Resource's final Clean Bids, Self Schedules, and Self Provisions.	Generation Entitlement Share
4560	GMC Market Services Charge	Designed to recover costs the CAISO incurs for implementing and running the Markets.	Generation Entitlement Share
4561	GMC System Operations Charge	Designed to recover costs the CAISO incurs for running the Grid in Real Time.	Generation Entitlement Share
6124	No Pay Spinning Reserve Settlement	Rescinds payments for Day Ahead, HASP, and Real Time Spinning Reserve Awards in the event the Resource does not fulfill the requirements associated with that payment.	Generation Entitlement Share
6486	Real Time Excess Cost for Instructed Energy Allocation	Allocates the excess cost payments to Scheduling Coordinators.	Generation Entitlement Share
6524	No Pay Regulation Up Settlement	Rescinds payments for Day Ahead, HASP, and Real Time Regulation Up Awards in the event the Resource does not fulfill the requirements associated with that payment.	Generation Entitlement Share
6624	No Pay Regulation Down Settlement	Rescinds payments for Day Ahead, HASP, and Real Time Regulation Down Awards in the event the Resource does not fulfill the requirements associated with that payment.	Generation Entitlement Share

Exhibit 8 to Agreement Schedule 1.00
LEC Project Management and Operations Agreement
Approved PPC 4-13-2015
Approved Commission and Effective 4-23-2015

Charge Code	Charge Code Name	Short Description	Allocation Basis
7056	Daily Flexible Ramp Cost Allocation	Accounts for the costs associated with the payments to Resources that resolve the flexible ramping constraint.	Generation Entitlement Share
7058	Monthly Flexible Ramp Cost Allocation	Reallocates the monthly total flexible ramp supply costs reversed in charge code 7057 to suppliers based upon monthly gross negative supply deviations.	Generation Entitlement Share
7077	<u>Daily Flexible Ramp Up Uncertainty Allocation</u>	<u>Allocates Flexible Ramp Up Uncertainty amounts to resources based on the negative sum of the resource's Uncertainty Movement and Uninstructed Imbalance Energy</u>	<u>Generation Entitlement Share</u>
7078	<u>DailyMonthly Flexible Ramp Up Uncertainty Allocation</u>	<u>Allocates Flexible Ramp Up Uncertainty amounts to resources based on the negative sum of the resource's Uncertainty Movement and Uninstructed Imbalance Energy</u>	<u>Generation Entitlement Share</u>
7087	<u>Daily Flexible Ramp Down Uncertainty Allocation</u>	<u>Allocates Flexible Ramp Down Uncertainty amounts to resources based on the positive sum of the resource's Uncertainty Movement and Uninstructed Imbalance Energy</u>	<u>Generation Entitlement Share</u>
7088	<u>Monthly Flexible Ramp Down Uncertainty Allocation</u>	<u>Allocates Flexible Ramp Down Uncertainty amounts to resources based on the positive sum of the resource's Uncertainty Movement and Uninstructed Imbalance Energy</u>	<u>Generation Entitlement Share</u>
7999	Invoice Deviation Interest Allocation	Accounts for interest charges to Scheduling Coordinators for time value of money between CAISO Invoices.	ESP Invoice Deviation Amount deltas
8830	<u>Resource Adequacy Availability Incentive Mechanism AllocationSettlement</u>	<u>Represents a charge to any RA Resource that failed to meet the monthly Availability Standard minus the tolerance band of 2%.</u>	<u>Pro-rata assessment to LEC Project Participants who claim LEC for RA Capacity for the applicable month</u>
8824	Monthly Resource Adequacy Standard Capacity Product Non-Availability Charge	Accounts for the CAISO's non availability charges to any Resource Adequacy Resource which fails to meet the CAISO-defined Availability Standard.	Pro-rata assessment to LEC Participants who claim LEC for RA Capacity for applicable month

- CC 7078 and 8830 Charge Code Names revised and updated on 10/6/2016

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LEC Project Management and Operations Agreement
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LEC ISO Net Energy Sales Charge Codes

Charge Code	Charge Code Name	Short Description	Allocation Basis
6011	Day Ahead Energy, Congestion, and Losses Settlement	Settles Day Ahead Schedules by paying for Supply and charging for Demand based upon the LMP at Resource Locations for each hour.	Generation Entitlement Share
6100	Day Ahead Spinning Reserve Capacity Settlement	Pays Scheduling Coordinators for awarded Spinning Reserve in the Day Ahead Market.	Generation Entitlement Share
6170	Real Time Spinning Reserve Capacity Settlement	Pays Scheduling Coordinators for awarded Spinning Reserve in the Real Time Market.	Generation Entitlement Share
6301	Day Ahead Inter-SC Trades Settlement Physical and Converted Physical Trades	Accounts for Energy Trades between Scheduling Coordinators in the Day Ahead Market. The "From" SC is charged the product of the valid quantity and the LMP. The "To" SC is paid the product of the valid quantity and the LMP. This could be a cost or revenue.	Allocated to the Project Participant/s who initiated the Trade based on unique scheduling SC IST name
6371	FMM Inter-SC Trades Settlements	Accounts for Energy Trades between Scheduling Coordinators during the Fifteen Minute Market (FMM). The "From" SC is charged the product of the valid quantity and the LMP. The "To" SC is paid the product of the valid quantity and the LMP. This could be a cost or revenue.	Allocated to the Project Participant/s who initiated the Trade based on unique scheduling SC IST name
6460	FMM IIE	FMM Instructed Imbalance Energy is the incremental or decremental energy to the Day Ahead Schedule. This could be a cost or revenue.	Generation Entitlement Share

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Charge Code	Charge Code Name	Short Description	Allocation Basis
6470	RTD IIE	Based upon the calculated energy expected to be produced or consumed as a result of responding to Real Time Dispatch Instructions. This could be a cost or revenue.	Generation Entitlement Share
6475	Real Time Uninstructed Imbalance Energy	Accounts for deviations from a Resource's Instructed Imbalance Energy and Day Ahead Schedule. This could be a cost or revenue.	Generation Entitlement Share
6488	Exceptional Dispatch Uplift Settlement	Accounts for the Excess Cost Payment (Uplift) above the RT LMP to a Resource's Bid Price for exceptional dispatches that are used to mitigate or resolve congestion as a result of transmission-related modeling limitations in the Full Network Model.	Generation Entitlement Share
6500	Day Ahead Regulation Up Capacity Settlement	Pays Scheduling Coordinators for awarded Regulation Up in the Day Ahead Market.	Generation Entitlement Share
6570	Real Time Regulation Up Capacity Settlement	Pays Scheduling Coordinators for awarded Regulation Up in the Real Time Market.	Generation Entitlement Share
6600	Day Ahead Regulation Down Capacity Settlement	Pays Scheduling Coordinators for awarded Regulation Down in the Day Ahead Market.	Generation Entitlement Share
6620	Real Time Bid Cost Recovery Settlement	Pays Scheduling Coordinators an uplift to ensure start up costs, bid costs, and minimum load costs are able to be recovered related to Real Time Market.	Generation Entitlement Share
6630	Day Ahead Bid Cost Recovery	Pays Scheduling Coordinators an uplift to ensure start up costs, bid costs, and minimum load costs are able to be recovered related to Day Ahead Market.	Generation Entitlement Share
6670	Real Time Regulation Down Capacity Settlement	Pays Scheduling Coordinators for awarded Regulation Down in the Real Time Market.	Generation Entitlement Share
<u>7070</u>	<u>Flexible Ramp Forecasted Movement</u>	<u>Pays or charges Scheduling Coordinators for the flexible ramp forecasted movement assessment inclusive of rescission</u> <u>This could be a cost or revenue.</u>	<u>Generation Entitlement Share</u>

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Charge Code	Charge Code Name	Short Description	Allocation Basis
7071	<u>Flexible Ramp Up Uncertainty Settlement</u>	<u>Pays Scheduling Coordinators for Flexible Ramp Up Uncertainty capability to resolve the Uncertainty Requirement</u>	<u>Generation Entitlement Share</u>
7081	<u>Flexible Ramp Down Uncertainty Settlement</u>	<u>Pays Scheduling Coordinators for Flexible Ramp Down Uncertainty capability to resolve the Uncertainty Requirement</u>	<u>Generation Entitlement Share</u>
7050	Flexible Ramp Up Capacity Payment	Provides a payment to Resources that resolve the flexible ramping constraint and have been awarded Flexible Ramping Capacity.	Generation-Entitlement Share
7057	Monthly Flex Ramp Up Supply Cost Allocation Reversal	Sums the daily Flexible Ramp Supply Costs in charge code 7056 to a monthly total and reverses them. They are then reallocated in charge code 7058.	Generation-Entitlement Share
7251	Regulation Up Mileage Settlement	Settles the quantity of frequency Regulation Up service provided by a Resource when accurately following a control signal from the CAISO.	Generation Entitlement Share
7261	Regulation Down Mileage Settlement	Settles the quantity of frequency Regulation Down service provided by a Resource when accurately following a control signal from the CAISO.	Generation Entitlement Share
7989	Invoice Deviation Interest Settlement	Accounts for interest payments to Scheduling Coordinators.	ESP Invoice Deviation Amount
8526	Generator Interconnection Process (GIP) Forfeited Deposit Allocation	This charge code is associated with the forfeited deposit amounts collected by the CAISO throughout the various stages of the GIP, which are then allocated to Scheduling Coordinators in proportion to their respective share of assessed Grid Management Charges (GMC) during the defined calendar year, consistent with CAISO Tariff section 37.9.4.	For the applicable defined calendar year, an LEC Participant's allocated CC 8526 amount is its ratio of assessed GMC amounts attributable to the Project and the total GMC amounts assessed to NCPA.

Exhibit 8 to Agreement Schedule 1.00
LEC Project Management and Operations Agreement
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Charge Code	Charge Code Name	Short Description	Allocation Basis
<u>8831</u>	<u>Resource Adequacy Availability Incentive Mechanism Settlement Allocation</u>	<u>Represents a payment to any RA Resource that exceeds the monthly Availability Standard plus the tolerance band of 2.0%</u>	<u>Pro-rata assessment to LEC Project Participants who claim LEC for RA Capacity for the applicable month.</u>
<u>8820</u>	<u>Monthly Resource Adequacy-Standard Capacity Product Non-Availability Allocation</u>	<u>Accounts for the CAISO's allocation of non-availability charges collected from Resource Adequacy Resources which fail to meet the CAISO-defined Availability Standard.</u>	<u>Pro-rata assessment to LEC Participants who claim LEC for RA Capacity for applicable month.</u>

- CC 8831 Charge Code Name revised and updated on 10/6/2016

Retired CAISO Charge Codes

Charge Code	Charge Code Name	Short Description	Allocation Basis	Effective Retirement Date
<u>7050</u>	<u>Flexible Ramp Up Capacity Payment</u>	<u>Provides a payment to Resources that resolve the flexible ramping constraint and have been awarded Flexible Ramping Capacity.</u>	<u>Generation Entitlement Share</u>	<u>10/31/2016</u>
<u>7057</u>	<u>Monthly Flex Ramp Up Supply Cost Allocation Reversal</u>	<u>Sums the daily Flexible Ramp Supply Costs in charge code 7056 to a monthly total and reverses them. They are then reallocated in charge code 7058.</u>	<u>Generation Entitlement Share</u>	<u>10/31/2016</u>
<u>7056</u>	<u>Daily Flexible Ramp Cost Allocation</u>	<u>Accounts for the costs associated with the payments to Resources that resolve the flexible ramping constraint.</u>	<u>Generation Entitlement Share</u>	<u>10/31/2016</u>
<u>7058</u>	<u>Monthly Flexible Ramp Cost Allocation</u>	<u>Reallocates the monthly total flexible ramp supply costs reversed in charge code 7057 to suppliers based upon monthly gross negative supply deviations.</u>	<u>Generation Entitlement Share</u>	<u>10/31/2016</u>

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<u>Charge Code</u>	<u>Charge Code Name</u>	<u>Short Description</u>	<u>Allocation Basis</u>	<u>Effective Retirement Date</u>
8820	<u>Monthly Resource Adequacy Standard Capacity Product Availability Incentive Payment</u>	<u>Accounts for the CAISO's distribution of availability incentive payment for qualifying resources.</u>	<u>Pro-rata assessment to LEC Participants who claim LEC for RA Capacity for applicable month</u>	<u>10/31/2016</u>
8824	<u>Monthly Resource Adequacy Standard Capacity Product Non-Availability Charge</u>	<u>Accounts for the CAISO's non availability charges to any Resource Adequacy Resource which fails to meet the CAISO-defined Availability Standard.</u>	<u>Pro-rata assessment to LEC Participants who claim LEC for RA Capacity for applicable month</u>	<u>10/31/2016</u>

Exhibit 8 to Agreement Schedule 1.00
LEC Project Management and Operations Agreement
Approved PPC 4-13-2015
Approved Commission and Effective 4-23-2015



Commission Staff Report

October 18, 2016

COMMISSION MEETING DATE: October 27, 2016

SUBJECT: Scheduling Coordination Program Agreement Appendix B – Approval of Appendix B Version 20

AGENDA CATEGORY: Consent

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

IMPACTED MEMBERS:					
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"/>

If other, please specify.

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

RECOMMENDATION:

Staff recommends approval of Resolution No. 16-77 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 20 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 Flexible Ramping Product (FRP) 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)¹.

¹ To access on the NCPA public website, select "Meetings" section on the menu bar, and then select "Facilities Committee" meeting located within the 'Committees' tab. Refer to Item 7 of the October 5, 2016 Facilities Committee meeting packet.

Appendix B to the SCPA Change Summary Table

Appendix B Section	Change Action	Description
<p>Charge Code 7070 for FRP Flexible Ramp Forecasted Movement (Page 75 of redlined version of Appendix B)</p>	<p>Implement Flexible Ramping Product (FRP) settlement charge code 7070 to account for forecasted movement to NCPA resources by the CAISO for applicable real-time interval and for each applicable supply resource.</p>	<p>Allocate payment or charge for ramp up or ramp down movement, respectively, to applicable project participants in proportion to their Energy Service Provider (ESP) real-time energy bid shares.</p> <p>All FRP settlements in this summary table are scheduled for implementation effective November 1, 2016</p>
<p>Charge Code 7071 for FRP Flexible Ramp Up Uncertainty Capacity Payment (Page 77 of redlined version of Appendix B)</p>	<p>Implement FRP settlement charge code 7071 for payment to applicable dispatchable resources that resolve the CAISO's uncertainty movement for ramp up capability.</p>	<p>FRU Capacity awards allocated to project participants in proportion to ESP real-time energy bid shares.</p>
<p>Charge Code 7081 for payment of Flexible Ramp Down Uncertainty Capacity Settlement Page 84 of redlined version of Appendix B</p>	<p>Implement FRP settlement charge code 7081 for payment to applicable dispatchable resources that resolve the CAISO's uncertainty movement for ramp down capability.</p>	<p>FRU Capacity awards allocated to project participants in proportion to ESP real-time energy bid shares.</p>
<p>Charge Code 7076 for Flexible Ramp Movement Allocation (Page 79 of redlined version of Appendix B)</p>	<p>Implement Flexible Ramping Product settlement charge code 7076 to account for allocation of Flexible Ramp Movement amounts settled by the CAISO in CC 7070 to gross metered demand for applicable real-time intervals.</p>	<p>Allocate amounts for residual forecasted flexible ramp movement to applicable NCPA Energy Service Provider (ESP) and pool members in proportion to each respective city's gross metered demand.</p>

<p>Charge Code 7077 for Daily and CC 7078 for monthly settlement of Flexible Ramp Up Uncertainty Award Allocation for Metered SubSystem Aggregation (MSSA) resources</p> <ul style="list-style-type: none"> • Page 80 for daily Settlement in CC 7077 • Page 82 for monthly settlement in CC 7078 	<p>Implement Flexible Ramp Up Uncertainty Award Allocation for MSSA resources that apply to both Daily and Monthly settlements.</p>	<p>Allocates amounts for the NCPA Metered SubSystem Aggregation based on MSSA net negative uninstructed 5-minute interval load and generation deviations and negative intertie operational adjustments plus any actual negative Uncertainty Movement quantity for each applicable Operating Entity and Pool Member's portfolio for each daily and monthly allocation settled in CC 7077 and CC 7078, respectively.</p>
<p>Charge Code 7077 for Daily and CC 7078 for monthly settlement of Flexible Ramp Up Uncertainty Award Allocation to resources operating under a Participating Generator Agreement (PGA) with the CAISO</p> <ul style="list-style-type: none"> • Page 81 for daily Settlement in CC 7077 • Page 83 for monthly settlement in CC 7078 	<p>Implement Flexible Ramp Up Uncertainty Award Allocation for PGA resources that apply to both Daily and Monthly settlements.</p>	<p>Allocates amounts for the NCPA PGA resources based on each resource's negative deviations (measured on a 5-minute interval basis) and negative actual Uncertainty Movement quantity for each operating entity and Pool Member based on applicable project entitlement share. Settlement applies to daily and monthly allocation in CC 7077 and CC 7078, respectively.</p>
<p>Charge Code 7087 for Daily and CC 7088 for monthly settlement of Flexible Ramp Down Uncertainty Award Allocation for Metered SubSystem Aggregation (MSSA) resources</p> <ul style="list-style-type: none"> • Page 85 for daily Settlement in CC 7087 • Page 87 for monthly settlement in CC 7088 	<p>Implement Flexible Ramp Down Uncertainty Award Allocation for MSSA resources that apply to both Daily and Monthly settlements.</p>	<p>Allocates amounts for the NCPA Metered SubSystem Aggregation based on MSSA net positive uninstructed 5-minute interval load and generation deviations and positive intertie operational adjustments, plus any actual positive Uncertainty Movement quantity for each applicable Operating Entity and Pool Member's portfolio for each daily and monthly allocation settled in CC 7087 and CC 7088, respectively.</p>
<p>Charge Code 7087 for Daily and CC 7088 for monthly settlement of Flexible Ramp Down Uncertainty Award Allocation</p>	<p>Implement Flexible Ramp Down Uncertainty Award Allocation for PGA resources that apply to both Daily and Monthly</p>	<p>Allocates amounts for the NCPA PGA resources based on each resource's positive deviations (measured on a 5-minute interval basis) and positive actual Uncertainty Movement quantity</p>

to resources operating under a Participating Generator Agreement (PGA) with the CAISO <ul style="list-style-type: none"> • Page 86 for daily Settlement in CC 7087 • Page 88 for monthly settlement in CC 7088 	settlements.	for each operating entity and Pool Member based on applicable project entitlement share. Settlement applies to daily and monthly allocation in CC 7087 and CC 7088, respectively.
Charge Code 7597 for Transferred Frequency Response Cost Allocation Page 118 of redlined version of Appendix B.	Implement cost allocation associated with transferred frequency response from external balancing authority areas.	NCPA's share of annual cost will be allocated to each member in proportion to its city's gross metered demand quantities. Effective December 1, 2016
Charge Codes 7024, 7050, 7056, 7057, and 7058 Pages 69, 70, 71, 73, and 74, respectively, of redlined version of Appendix B.	Retire existing settlement charge codes associated with interim Flexible Ramping Constraint solution due to implementation of new Flexible Ramping Product	<ul style="list-style-type: none"> • Retire existing Flexible Ramping Constraint charge codes, although they will be subject for use in future, recalculated settlement statements; • Retired Effective 10/31/2016 by CAISO
Charge Codes 6594, 6694, 6596, and 6696 Pages 62, 63, 67, and 68, respectively, of redlined version of Appendix B.	Applies to each city's demand-based obligations for regulation up and regulation down ancillary service and self-provided regulation quantities.	Updated NCPA's estimates to more accurately reflect the CAISO calculation based on maximum of real-time or day ahead regulation procurement requirements for allocation to each city's metered demand. Previously, NCPA was calculating its estimates based on CAISO's real-time regulation requirements. Effective September 1, 2016

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.

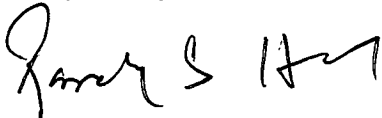
ENVIRONMENTAL ANALYSIS:

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 October 5, 2016 and was recommended for Commission approval.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Randy S. Howard", written over a horizontal line.

RANDY S. HOWARD
General Manager

Attachment:

- Resolution 16-77

RESOLUTION 16-77

RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY SCHEDULING COORDINATION PROGRAM AGREEMENT – VERSION 20 APPENDIX B REVISION

(reference Staff Report #211:16)

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, on October 5, 2016 the Facilities Committee reviewed the proposed changes to SCPA Appendix B and provided its recommendation for Commission approval; 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 _____, 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	_____	_____	_____

BOB LINGL
CHAIR

ATTEST:

CARY A. PADGETT
ASSISTANT SECRETARY



Commission Staff Report

October 19, 2016

COMMISSION MEETING DATE: October 27, 2016

SUBJECT: Approval of Amendment No. 2 to the BART Single Member Services Agreement

AGENDA CATEGORY: Consent

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

IMPACTED MEMBERS:					
All Members	<input 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 checked="" 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><i>If other, please specify.</i></p> <p>_____</p> <p>_____</p>					
<p><i>Place an X in the box next to the applicable Member(s) above.</i></p>					

RECOMMENDATION:

NCPA staff recommends that the Commission adopt and approve Amendment No. 2 to the BART SMSA, which includes a revised Attachment A that is attached to and made part of the BART SMSA, and authorize the General Manager of NCPA to execute Amendment No. 2 to the BART SMSA, on behalf of NCPA, including any non-substantive modifications to Amendment No. 2 to the BART SMSA approved by NCPA's General Counsel.

BACKGROUND:

The San Francisco Bay Area Rapid Transit District ("BART") currently receives certain transmission services from Pacific Gas and Electric Company ("PG&E") pursuant to a Network Integration Transmission Services Agreement (the "NITSA"), and the NITSA is set to expire on December 31, 2016. BART also takes services from Northern California Power Agency ("NCPA") pursuant to a combination of agreements, including a Single Member Services Agreement ("BART SMSA"), the Power Management and Administrative Services Agreement ("PMASA"), the Amended and Restated Facilities Agreement ("FA"), and the Amended and Restated Scheduling Coordination Program Agreement ("SCPA").

BART recently concluded negotiations with PG&E for transitioning from the NITSA to a new contractual arrangement, and the outcome of such negotiations will impact the services NCPA will supply to BART beyond December 31, 2016. The BART SMSA is currently set to expire on December 31, 2016, and in order to enable NCPA to continue to provide certain services to BART beyond December 31, 2016, which are currently provided pursuant to the BART SMSA, the term of the BART SMSA must be extended. In addition to extending the term of the BART SMSA, Attachment A, which is attached to and made part of the BART SMSA, needs to be revised to include the scope of services NCPA will supply to BART beyond December 31, 2016 based on the final negotiations between BART and PG&E.

BART SMSA:

To enable NCPA to continue its provision of certain services to BART beyond December 31, 2016, NCPA staff, working in conjunction with BART, has developed Amendment No. 2 to the BART SMSA that will: (i) extend the term of the BART SMSA through December 31, 2026, and (ii) replace the Attachment A confirmation to the BART SMSA in its entirety. The majority of the services NCPA will supply to BART beyond December 31, 2016 under the BART SMSA will be consistent with the services NCPA currently provides to BART. The scope of services contained in the revised Attachment A include the following: Scheduling Coordination Services (which will be supplied in accordance with the SCPA); NCPA will act as an Operating Entity on behalf of BART; pre-scheduling, scheduling and central dispatch services; scheduling and optimization of BART's Western Base Resource entitlements; E-Tagging services; development of load, resource and price forecasts; development of short-term and mid-term load and resource balances; Congestion Revenue Rights services; commodity transactional services; procurement of Greenhouse Gas compliance instruments; risk analysis pertaining to procurement activities conducted on behalf of BART; and acquisition of Meter Data Management Agent services on behalf of BART.

Amendment No. 2 to the BART SMSA has been attached to this staff report for your reference.

FISCAL IMPACT:

Costs associated with development of Amendment No. 2 to the BART SMSA are included in the FY 2017 annual budget. All costs associated with NCPA's provision of services to BART pursuant to the BART SMSA are determined and allocated through the annual budget process.

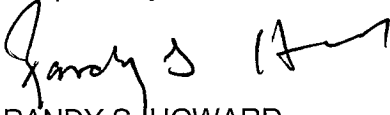
ENVIRONMENTAL ANALYSIS:

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 October 5, 2016, and was recommended for Commission approval.

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: 3

RESOLUTION 16-79

RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY APPROVAL OF AMENDMENT NO. 2 TO THE BART SINGLE MEMBER SERVICES AGREEMENT

(reference Staff Report #213:16)

WHEREAS, the San Francisco Bay Area Rapid Transit District ("BART") currently receives certain transmission services from Pacific Gas and Electric Company ("PG&E") pursuant to a Network Integration Transmission Services Agreement (the "NITSA"), and the NITSA is set to expire on December 31, 2016; and

WHEREAS, BART also takes services from Northern California Power Agency ("NCPA") pursuant to a combination of agreements, including a Single Member Services Agreement ("BART SMSA"), the Power Management and Administrative Services Agreement ("PMASA"), the Amended and Restated Facilities Agreement ("FA"), and the Amended and Restated Scheduling Coordination Program Agreement ("SCPA"); and

WHEREAS, BART recently concluded negotiations with PG&E for transitioning from the NITSA to a new contractual arrangement, and the outcome of such negotiations will impact the services NCPA will supply to BART beyond December 31, 2016; and

WHEREAS, the BART SMSA is currently set to expire on December 31, 2016, and in order to enable NCPA to continue to provide certain services to BART beyond December 31, 2016, which are currently provided pursuant to the BART SMSA, the term of the BART SMSA must be extended; and

WHEREAS, in addition to extending the term of the BART SMSA, Attachment A, which is attached to and made part of the BART SMSA, needs to be revised to include the scope of services NCPA will supply to BART beyond December 31, 2016 based on the final negotiations between BART and PG&E; and

WHEREAS, to enable NCPA to continue its provision of certain services to BART beyond December 31, 2016, NCPA staff, working in conjunction with BART, has developed Amendment No. 2 to the BART SMSA that will: (i) extend the term of the BART SMSA through December 31, 2026, and (ii) replace the Attachment A confirmation to the BART SMSA in its entirety; and

WHEREAS, the scope of services contained in the revised Attachment A include the following: Scheduling Coordination Services (which will be supplied in accordance with the SCPA); NCPA will act as an Operating Entity on behalf of BART; pre-scheduling, scheduling and central dispatch services; scheduling and optimization of BART's Western Base Resource entitlements; E-Tagging services; development of load, resource and price forecasts; development of short-term and mid-term load and resource balances; Congestion Revenue Rights services; commodity transactional services; procurement of Greenhouse Gas compliance instruments; risk analysis pertaining to procurement activities conducted on behalf of BART; and acquisition of Meter Data Management Agent services on behalf of BART; and

WHEREAS, costs associated with development of Amendment No. 2 to the BART SMSA are included in the FY 2017 annual budget, and all costs associated with NCPA's provision of services to BART pursuant to the BART SMSA are determined and allocated through the annual budget process; 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 adopts and approves Amendment No. 2 to the BART SMSA, which includes a revised Attachment A that is attached to and made part of the BART SMSA, and authorizes the General Manager of NCPA to execute Amendment No. 2 to the BART SMSA, on behalf of NCPA, including any non-substantive modifications to Amendment No. 2 to the BART SMSA approved by NCPA's General Counsel.

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

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

BOB LINGL
CHAIR

ATTEST:

CARY A. PADGETT
ASSISTANT SECRETARY

SINGLE MEMBER SERVICES AGREEMENT
Between
Northern California Power Agency
and
San Francisco Bay Area Rapid Transit District

AMENDMENT NO. 2

This Amendment No. 2 ("Amendment No. 2") to the Single Member Services Agreement for Special Transactions by and between the Northern California Power Agency ("NCPA") and the San Francisco Bay Area Rapid Transit District ("BART") dated as of December 1, 2005, as such may be amended from time to time, (the "BART SMSA") is made this ___ day of _____, 20__ with reference to the following facts, among others:

- A. The BART SMSA contains an Effective Date of December 1, 2005, and is set to expire on December 31, 2016.
- B. The Parties desire to extend the term of the BART SMSA and associated Confirmations to enable NCPA's continued provision of Services and Transactions to BART as contemplated under the BART SMSA.
- C. BART is a signatory participant to the Power Management and Administrative Services Agreement ("PMASA"), the Amended and Restated Facilities Agreement ("FA"), and the Amended and Restated Scheduling Coordination Program Agreement ("SCPA"), under which NCPA supplies certain services to BART.
- D. Pursuant to the terms and conditions of the BART SMSA, NCPA supplies certain transactional services, portfolio management services, and Advisory Services to BART as further described in Attachment "A", which is attached to and made part of the BART SMSA. The Parties desire to amend and restate Attachment "A" to include a revised set of services to be supplied by NCPA to BART.

Therefore, the Parties agree as follows:

1. Section 8.1 of the BART SMSA is replaced in its entirety with the following:

"8.1 Term of This Agreement. The term of this Agreement shall begin on the Effective Date and shall end on December 31, 2026. Notwithstanding the foregoing, either Party may, at any time during the term of the Agreement, terminate this Agreement on a date at least one (1) year after delivery of a written notice of termination to the other Party, provided that, no termination shall become effective until the termination of all Services and Transactions.

2. Attachment "A" to the BART SMSA is replaced in its entirety by Attachment "A" as attached to this Amendment No. 2 and incorporated herein by this reference.

The Parties have caused this Amendment No. 2 to be executed on the date as set forth above.

NORTHERN CALIFORNIA
POWER AGENCY
651 Commerce Drive
Roseville, CA 95678

SAN FRANCISCO BAY AREA RAPID
TRANSIT DISTRICT
300 Lakeside Drive, 16th Floor
Oakland, CA 94612

By: _____
Title: _____
Date: _____

By: _____
Title: _____
Date: _____

Approved as to form:

Approved as to form:

By: _____
Its: General Counsel
Date: _____

By: _____
Its: Attorney
Date: _____

SINGLE MEMBER SERVICES AGREEMENT
Between
Northern California Power Agency
and
San Francisco Bay Area Rapid Transit District

ATTACHMENT "A"

This Attachment "A" is attached to and made part of that certain Single Member Services Agreement for Special Transactions by and between the Northern California Power Agency ("NCPA") and the San Francisco Bay Area Rapid Transit District ("BART") dated as of December 1, 2005, as such may be amended from time to time ("BART SMSA").

The BART SMSA and this Attachment "A" are established, in part to enable NCPA to provide Services to BART, and to enter into certain Transactions on behalf of BART, and to provide technical services and advice to BART in support of its need to forecast, plan, contract, schedule, adjust, and perform other activities related to acquiring electrical energy and capacity to serve the BART system load requirements.

BART, in attaining services and advice from NCPA, will be utilizing certain Power Management and Administrative Services provided by NCPA, including performing activities related to the planning, transacting, analyzing, risk assessment, issuing Requests for Proposals ("RFPs"), and negotiating and maintaining power supply contracts on behalf of BART.

Costs associated with the services provided in accordance with this Attachment "A", including Power Management Services Costs and Administrative Services Costs, shall be allocated and charged to BART in accordance with the BART SMSA and the Power Management and Administrative Services Agreement.

Section 1. Definitions.

1.1 Definitions. Whenever used in this Attachment "A", the following terms shall have the following respective meanings, provided, capitalized terms used in this Attachment "A" that are not defined in Section 1 of this Attachment "A" shall have the meaning indicated in the BART SMSA or Section 1 of the Power Management and Administrative Services Agreement.

1.1.1 "Amended and Restated Scheduling Coordination Program Agreement" means that certain agreement dated as of October 1, 2014 between NCPA and certain of its members including BART by which NCPA provides scheduling coordination services to its members as such agreement now exists or may hereafter be amended.

1.1.2 "Congestion Revenue Right" or "CRR" means a CRR Obligation or CRR Option.

1.1.3 "CRR Obligation" means a financial instrument that entitles the holder to a payment when congestion is in the direction of the CRR source to CRR sink specification and imposes on its holder a charge when congestion is in the opposite direction of the CRR source and CRR sink specification pursuant to the CAISO Tariff.

1.1.4 "CRR Option" means a financial instrument that entitles its holder to a payment when congestion is in the direction of the CRR source to CRR sink specification.

1.1.5 "Power Management and Administrative Services Agreement" or "PMASA" means that agreement between NCPA and certain of its members including BART dated as of October 1, 2014 for the provision of power management services by NCPA to those of its members executing such agreement, as such agreement now exists or may hereafter be amended.

Section 2. Services. This Attachment "A" is entered into by the Parties in order for NCPA to provide services to BART for the services described in Section 2 of this Attachment "A" ("Services"). NCPA shall perform the following Services on behalf of BART:

- 2.1 Provide Scheduling Coordination Services for BART's loads and resources in accordance with the Amended and Restated Scheduling Coordination Program Agreement.
- 2.2 Act as an Operating Entity on behalf of BART.
- 2.3 Provide pre-scheduling, scheduling and central dispatch services to BART's load and resources.
- 2.4 NCPA will optimize BART's Western Base Resource and schedule such to meet BART's peak hourly requirements.
- 2.5 Develop, submit and management of E-Tags for BART's interchange transactions.
- 2.6 Develop load, resource and price forecasts for BART.
- 2.7 Development of short-term and mid-term load and resource balance information to support procurement and planning activities conducted on behalf of BART.
- 2.8 Performing nomination and bidding activities to acquire and transact Congestion Revenue Rights, including long-term Congestion Revenue Rights, and managing Congestion Revenue Rights holding on behalf of BART.

- 2.9 Entering into Balance of Month Transactions and transactions for a term less than balance-of-month for purchasing and selling energy, capacity, transmission capacity, and other related services and products on behalf of BART.
- 2.10 Acquire GHG Compliance Instruments on behalf of BART to fulfill a GHG emission compliance obligation imposed by the State or federal government incurred by NCPA or BART resulting from activities conducted pursuant to this Attachment "A".
- 2.11 Perform risk analysis and management to mitigate risks associated with activities conducted pursuant to this Attachment "A".
- 2.12 Provide, or acquire the services of a Third Party to supply, meter data management agent services, whereby NCPA, in coordination with BART shall obtain, process, adjust, validate and maintain BART's settlement quality meter data in accordance with the CAISO Tariff, the Meter Service Agreement for Scheduling Coordinators, and/or other rules adopted or enforced by BART's local regulatory authority, as applicable, to be used for multiple purposes, including, but not limited to settlement and settlement validation. To the extent NCPA acquires meter data management agent services on behalf of BART from a Third Party supplier, BART shall be responsible for all costs associated with such services, and all costs associated with NCPA's acquisition of meter data management agent services from a Third Party shall be charged to BART.

Section 3. Acquisition of GHG Compliance Instruments.

The CARB, through the requirements established under the GHG Regulations, may impose obligations on NCPA to report GHG emissions caused by performing the Services under the BART SMSA and this Attachment "A", and to surrender to the CARB GHG Compliance Instruments for such emissions.

NCPA shall acquire GHG Compliance Instruments to satisfy any GHG compliance obligations that result from NCPA's provision of Services under the BART SMSA and this Attachment "A", including, but not limited to, the purchase and sale of interchange transactions (e.g., energy imports, exports and associated e-tags). All costs associated with NCPA's acquisition of GHG Compliance Instruments shall be charged to BART.

BART may utilize other authorizing agreements (e.g., Amended and Restated Market Purchase Program Agreement) to acquire GHG Compliance Instruments to satisfy any requirements resulting from the services provided herein, provided, however, NCPA shall have the right to procure any required and as yet unattained GHG Compliance Instruments associated the services provided hereunder.

On a monthly basis, NCPA shall timely invoice BART in the All Resources Bill, based on NCPA's estimate for BART's share of costs associated with GHG compliance, such that NCPA shall have on hand at all times sufficient funds and or GHG Compliance Instruments from BART projected to meet the full estimate of BART's then current compliance obligation.

Section 4. Waiver of Risk Disclosure Statement. BART, by executing this Confirmation, acknowledges that it is aware of and has fully considered the risks inherent in consummating the transactions contemplated herein, including but not limited to market based risks inherent in scheduling, negotiating and maintaining electric resources supply, and based on such understanding of the risks BART waives NCPA's obligation to develop and provide the following risk disclosure statements as required under the BART SMSA: Contract Form Risk Disclosure Statement, Counterparty Risk Disclosure Statement, and Contract Damages Risk Disclosure Statement.



21

Commission Staff Report

October 19, 2016

COMMISSION MEETING DATE: October 27, 2016

SUBJECT: Amendment to Appendix E of the Amended and Restated Scheduling Coordination Program Agreement

AGENDA CATEGORY: Consent

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

IMPACTED MEMBERS:		
All Members	<input type="checkbox"/>	
Alameda Municipal Power	<input checked="" type="checkbox"/>	
Bay Area Rapid Transit	<input checked="" 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 checked="" 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 checked="" type="checkbox"/>	
Truckee Donner PUD	<input type="checkbox"/>	
Other	<input type="checkbox"/>	
<p><i>If other, please specify.</i></p> <p>_____</p> <p>_____</p>		
<p><i>Place an X in the box next to the applicable Member(s) above.</i></p>		

RECOMMENDATION:

NCPA staff recommends that the Commission approve an amendment to Appendix E of the Amended and Restated Scheduling Coordination Program Agreement, to add the following three (3) generating resources to the list of resources that take Scheduling Coordination Services from NCPA: (i) Crow Creek Solar 1 (Resource ID: CRWCKS_1_SOLAR1), (ii) Western Antelope Blue Sky Ranch B LLC (Resource ID: BIGSKY_2_SOLAR4), and (iii) Elevation Solar C LLC (Resource ID: BIGSKY_2_SOLAR2).

BACKGROUND:

The Amended and Restated Scheduling Coordination Program Agreement ("SCPA") is the agreement under which Northern California Power Agency ("NCPA") provides Scheduling Coordination Services to Members who are signatory to the SCPA (herein after referred to as the "Participants"). Appendix E of the SCPA contains a list of the generating resources that are scheduled by NCPA pursuant to the terms and conditions of the SCPA.

DISCUSSION:

Pursuant to Section 14.5.1 of the SCPA, a Participant may request for NCPA to provide Scheduling Coordination Services for a resource that is not currently scheduled by NCPA. Pending a formal Participant request for NCPA to schedule a new resource, and NCPA's acceptance of such obligations, the new Resource is to be listed in Appendix E of the SCPA.

The City of Palo Alto has submitted a formal request for NCPA to provide Scheduling Coordination Services for three (3) new solar resources, specifically: (i) Crow Creek Solar 1 (Resource ID: CRWCKS_1_SOLAR1), (ii) Western Antelope Blue Sky Ranch B LLC (Resource ID: BIGSKY_2_SOLAR4), and (iii) Elevation Solar C LLC (Resource ID: BIGSKY_2_SOLAR2). As a result of Palo Alto's request, and NCPA's acceptance of such request, Appendix E of the SCPA needs to be updated to include these three (3) new resources.

An amended Appendix E of the SCPA, which includes the three (3) new generating resources as described herein, is attached to this staff report for your reference.

PROCESS:

Pursuant to Section 17.6.2 of the SCPA, amendments to any of the appendices of the agreement shall take effect after being approved by the Commission, and does not require approval of the individual Participants' governing bodies.

FISCAL IMPACT:

Costs associated with administering the SCPA, including amending the appendices of the agreement, are included in the FY 2017 annual budget. All costs associated with NCPA's provision of Scheduling Coordination Services to the three (3) new resources are determined and allocated through the annual budget process.

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 October 5, 2016, and was recommended for Commission approval.

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: 2

RESOLUTION 16-80

RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY AMENDMENT TO APPENDIX E OF THE AMENDED AND RESTATED SCHEDULING COORDINATION PROGRAM AGREEMENT

(reference Staff Report #214:16)

WHEREAS, the Amended and Restated Scheduling Coordination Program Agreement ("SCPA") is the agreement under which Northern California Power Agency ("NCPA") provides Scheduling Coordination Services to Members who are signatory to the SCPA (herein after referred to as the "Participants"); and

WHEREAS, Appendix E of the SCPA contains a list of the generating resources that are scheduled by NCPA pursuant to the terms and conditions of the SCPA; and

WHEREAS, pursuant to Section 14.5.1 of the SCPA, a Participant may request for NCPA to provide Scheduling Coordination Services for a resource that is not currently scheduled by NCPA, and pending a formal Participant request for NCPA to schedule a new resource, and NCPA's acceptance of such obligations, the new Resource is to be listed in Appendix E of the SCPA; and

WHEREAS, the City of Palo Alto has submitted a formal request for NCPA to provide Scheduling Coordination Services for three (3) new solar resources, specifically: (i) Crow Creek Solar 1 (Resource ID: CRWCKS_1_SOLAR1), (ii) Western Antelope Blue Sky Ranch B LLC (Resource ID: BIGSKY_2_SOLAR4), and (iii) Elevation Solar C LLC (Resource ID: BIGSKY_2_SOLAR2); and

WHEREAS, as a result of Palo Alto's request, and NCPA's acceptance of such request, Appendix E of the SCPA needs to be updated to include these three (3) new resources; and

WHEREAS, pursuant to Section 17.6.2 of the SCPA, amendments to any of the appendices of the agreement shall take effect after being approved by the Commission, and does not require approval of the individual Participants' governing bodies; and

WHEREAS, costs associated with administering the SCPA, including amending the appendices of the agreement, are including in the FY 2017 annual budget, and all costs associated with NCPA's provision of Scheduling Coordination Services to the three (3) new resources are determined and allocated through the annual budget process; 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 adopts and approves an amendment to Appendix E of the Amended and Restated Scheduling Coordination Program Agreement, to add the following three (3) generating resources to the list of resources that take Scheduling Coordination Services from NCPA: (i) Crow Creek Solar 1

(Resource ID: CRWCKS_1_SOLAR1), (ii) Western Antelope Blue Sky Ranch B LLC (Resource ID: BIGSKY_2_SOLAR4), and (iii) Elevation Solar C LLC (Resource ID: BIGSKY_2_SOLAR2).

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	_____	_____	_____

BOB LINGL
CHAIR

ATTEST: _____
CARY A. PADGETT
ASSISTANT SECRETARY

APPENDIX E

PARTICIPANT RESOURCES

The following is a list of the Participant resources for which NCPA provides Scheduling Coordination Services pursuant to this Agreement.

<u>Resource Name</u>	<u>Resource ID</u>
Alameda GT Unit 1	ALMEGT_1_UNIT 1
Alameda GT Unit 2	ALMEGT_1_UNIT 2
Elevation Solar C LLC	BIGSKY_2_SOLAR2
Western Antelope Blue Sky Ranch B LLC	BIGSKY_2_SOLAR4
Black Butte Hydro	BLCKBT_2_STONEY
Beardsley Hydro	BEARDS_7_UNIT 1
Collierville Hydro Unit 1 & 2 Aggregate	COLVIL_7_PL1X2
Container Corp. of America	CONTAN_1_UNIT
Ameresco San Joaquin LLC	CORRAL_6_SJOAQN
Crow Creek Solar 1	CRWCKS_1_SOLAR1
Santa Clara Co-Gen	CSCCOG_1_UNIT 1
Gianera Peaker Unit 1	CSCGNR_1_UNIT 1
Gianera Peaker Unit 2	CSCGNR_1_UNIT 2
Donnells Hydro	DONNLS_7_UNIT
Donald Von Raesfeld Power Project	DUANE_1_PL1X3
EE Kettleman Solar	EEKTMN_6_SOLAR1
Stoney Gorge Hydro Aggregate	ELKCRK_6_STONYG
Neal Road Landfill Generating Facility	ESQUON_6_LNDFIL
Johnson Canyon Landfill	GONZLS_6_UNIT
Gridley Main Two	GRIDLY_6_SOLAR
Santa Cruz Landfill Generating Plant	GRNVLY_7_SCLAND
Keller Canyon Landfill Gen Facility	KIRKER_7_KELCYN
Hayworth Solar Farm	LAMONT_1_SOLAR4
Lodi Gas Turbine	LODI25_2_PL1X2
Lodi Energy Center	LODIEC_2_PL1X2
NCPA Geo Plant 1 Unit 1	NCPA_7_GP1UN1
NCPA Geo Plant 1 Unit 2	NCPA_7_GP1UN2
NCPA Geo Plant 2 Unit 3	NCPA_7_GP2UN3
NCPA Geo Plant 2 Unit 4	NCPA_7_GP2UN4

High Line Canal	ORLND_6_HIGHLI
Ox Mountain Landfill Generating Plant	OXMTN_6_LNDFIL
Cooperatively Owned Back Up Generator	PALALT_7_COBUG
Bay Environmental (NOVE Power)	RICHMN_7_BAYENV
Spicer Hydro Units 1-3 Aggregate	SPICER_1_UNITS
Lodi STIG Unit	STIGCT_2_LODI
Tulloch Hydro	TULLCK_7_UNITS
Ukiah Lake Mendocino Hydro	UKIAH_7_LAKEMN



22

Commission Staff Report

October 19, 2016

COMMISSION MEETING DATE: October 27, 2016

SUBJECT: Approval of Extension of Natural Gas Pipeline Transportation Contracts for the NGTL and Foothills BC Pipeline Transportation Systems

AGENDA CATEGORY: Consent

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

IMPACTED MEMBERS:					
All Members	<input type="checkbox"/>	City of Lodi	<input checked="" type="checkbox"/>	City of Ukiah	<input type="checkbox"/>
Alameda Municipal Power	<input checked="" type="checkbox"/>	City of Lompoc	<input checked="" 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 checked="" type="checkbox"/>	Other	<input type="checkbox"/>
City of Healdsburg	<input type="checkbox"/>	City of Santa Clara	<input 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.					

RECOMMENDATION:

NCPA staff recommends that the Commission authorize the General Manager, on behalf of NCPA, to extend the natural gas pipeline transportation contracts to maintain NCPA's natural gas pipeline transport volume rights on the NOVA and Foothills transportation systems for one (1) year through October 31, 2018.

BACKGROUND:

In 1991, Northern California Power Agency ("NCPA") entered into natural gas pipeline transportation contracts to acquire firm natural gas pipeline transport from Alberta, Canada (AECO) to the Pacific Gas and Electric Company natural gas transportation pipeline system ("PG&E Citygate") on behalf of the Combustion Turbine No. 2 ("STIG") project participants. The amount of natural gas pipeline transport capacity acquired is sufficient to supply approximately twenty five percent (25%) of the annual capacity factor of the STIG project.

The contiguous transport path includes the following four (4) separate sections of pipeline:

- TransCanada NGTL Transportation System ("NOVA") – natural gas pipeline from Alberta to BC Border
- TransCanada Foothills BC Transportation System ("Foothills") – natural gas pipeline from BC Border to Kingsgate, Canada/US border
- TransCanada GTN Transportation System ("GTN") – natural gas pipeline from Kingsgate to Malin, OR/CA border
- PG&E California Gas Transmission ("CGT") – natural gas pipeline from Malin to PG&E Citygate

The contract commitments made for the two (2) United States segments of the pipeline (GTN and CGT) have a term of thirty (30) years and remain in effect through October 31, 2023. The contract commitments made for the two (2) Canadian segments of the pipeline (NOVA and Foothills) were made with an initial term of fifteen (15) years and were in effect through October 31, 2008. Since October 31, 2008, NCPA has renewed the contract commitments for the two (2) Canadian segments of the pipeline on a year-by-year basis, and the current contract commitments for the two (2) Canadian segments of the pipeline are effective through October 31, 2017.

DISCUSSION:

Pursuant to the respective tariffs, the NOVA and Foothills natural gas pipeline contracts may be extended per a request submitted one (1) year in advance of the effective expiration date of the contract. The current NOVA and Foothills contracts are set to expire on October 31, 2017; therefore, in order for NCPA to maintain its contiguous natural gas pipeline capacity from AECO to PG&E Citygate, NCPA will need to submit its request to extend the NOVA and Foothills transportation contracts for an additional year by October 31, 2016.

Failure to renew the NOVA and Foothill segments of the pipeline will:

- Result in a mismatch of pipeline transportation capacity from AECO to PG&E Citygate;
- Forfeit NCPA's first right to firm transportation capacity on the NOVA and Foothills transportation systems; and
- Negatively impact the value of the pipeline capacity release payments made to NCPA under the Asset Management Agreement between NCPA and Noble Americas, which are based on the price differences between the AECO and PG&E Citygate pricing hubs (the Kingsgate gas hub is thinly traded and does not provide a material price spread relative to the PG&E Citygate gas hub).

Consistent with prior actions and based on these factors, NCPA staff recommends that the Commission authorize the General Manager of NCPA to extend the NOVA and Foothills natural gas pipeline transport contract commitments, on behalf of NCPA, for one (1) additional year through October 31, 2018.

FISCAL IMPACT:

Based on current transportation rates, the cost for acquiring natural gas pipeline transportation capacity on the NOVA system is approximately \$130,000 per year, and acquiring natural gas pipeline transportation capacity on the Foothills system is approximately \$70,000 per year. All costs associated with acquiring natural gas pipeline transportation capacity on the NOVA and Foothills system are included in the NCPA annual budget, and are treated as Project Costs and allocated to the STIG project participants based on their respective project participation percentages.

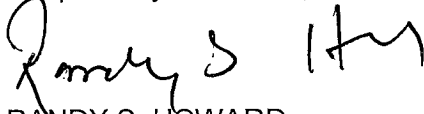
ENVIRONMENTAL ANALYSIS:

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 October 5, 2016, and was recommended for Commission approval.

Respectfully submitted,



RANDY S. HOWARD
General Manager

Attachments: 1

RESOLUTION 16-81

RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY APPROVAL OF EXTENSION OF NATURAL GAS PIPELINE TRANSPORTATION CONTRACTS FOR THE NGTL AND FOOTHILLS BC PIPELINE TRANSPORTATION SYSTEMS

(reference Staff Report #215:16)

WHEREAS, in 1991, Northern California Power Agency ("NCPA") entered into natural gas pipeline transportation contracts to acquire firm natural gas pipeline transport from Alberta, Canada (AECO) to the Pacific Gas and Electric Company natural gas transportation pipeline system ("PG&E Citygate") on behalf of the Combustion Turbine No. 2 ("STIG") project participants; and

WHEREAS, the contiguous transport path is made up of four (4) separate sections of pipeline: (i) TransCanada NGTL Transportation System ("NOVA"), (ii) TransCanada Foothills BC Transportation System ("Foothills"), (iii) TransCanada GTN Transportation System ("GTN"), and (iv) PG&E California Gas Transmission ("CGT"); and

WHEREAS, the contract commitments made for the two (2) United States segments of the pipeline (GTN and CGT) have a term of thirty (30) years and remain in effect through October 31, 2023; and

WHEREAS, the contract commitments made for the two (2) Canadian segments of the pipeline (NOVA and Foothills) were made with an initial term of fifteen (15) years and were in effect through October 31, 2008; and

WHEREAS, since October 31, 2008, NCPA has renewed the contract commitments for the two (2) Canadian segments of the pipeline on a year-by-year basis, and the current contract commitments for the two (2) Canadian segments of the pipeline are effective through October 31, 2017; and

WHEREAS, pursuant to the respective tariffs, the NOVA and Foothills natural gas pipeline contracts may be extended per a request submitted one (1) year in advance of the effective expiration date of the contract; and

WHEREAS, the current NOVA and Foothills contracts are set to expire on October 31, 2017, and in order for NCPA to maintain its contiguous natural gas pipeline capacity from AECO to PG&E Citygate, NCPA will need to submit its request to extend the NOVA and Foothills transportation contracts for an additional year by October 31, 2016; and

WHEREAS, failure to renew the NOVA and Foothill segments of the pipeline will: (i) result in a mismatch of pipeline transportation capacity from AECO to PG&E Citygate, (ii) forfeit NCPA's first right to firm transportation capacity on the NOVA and Foothills transportation systems, and (iii) negatively impact the value of the pipeline capacity release payments made to NCPA under the Asset Management Agreement between NCPA and Noble Americas, which are based on the price differences between the AECO and PG&E Citygate pricing hubs; and

WHEREAS, based on current transportation rates, the cost for acquiring natural gas pipeline transportation capacity on the NOVA system is approximately \$130,000 per year, and acquiring natural gas pipeline transportation capacity on the Foothills system is approximately \$70,000 per year; 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, on behalf of NCPA, to extend the natural gas pipeline transportation contracts to maintain NCPA's natural gas pipeline transport volume rights on the NOVA and Foothills transportation systems for one (1) year through October 31, 2018.

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	_____	_____	_____

BOB LINGL
CHAIR

ATTEST:

CARY A. PADGETT
ASSISTANT SECRETARY



Commission Staff Report

October 17, 2016

COMMISSION MEETING DATE: October 27, 2016

SUBJECT: Adoption of Amount of Employer Contribution to CalPERS Medical Plans for Calendar Year 2017

AGENDA CATEGORY: Discussion/Action

FROM:	Vicki L. Cichocki <i>VC</i>	METHOD OF SELECTION:
	Human Resources Manager	N/A
Division:	Executive Services	
Department:	Human Resources	

IMPACTED MEMBERS:

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

If other, please specify.

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

RECOMMENDATION:

Approve Resolution 16-74 adopting the fixed amount of \$1,615.91 per month as the maximum Agency contribution for the CalPERS Medical Plans for employees and annuitants and their dependents for calendar year 2017; and approve specific CalPERS Resolutions for each employee and/or employee/annuitant group including Resolution Nos. 16-74 A for IBEW Local 1245-Group 200, 16-74 B for HEA-Group 300, 16-74 C for Unrepresented Staff-Group 400, 16-74 D for Power Generation Employees-NPERS Group 701, 16-74 E for Unrepresented Administrative Members-NPERS Group 702, 16-74 F for HEA-NPERS Group 702, 16-74 G for IBEW Local 1245-Group 002, 16-74 H for HEA-Group 003, and 16-74 I for Unrepresented Staff-Group 004.

BACKGROUND:

NCPA provides medical coverage for its employees through CalPERS. During the 2015 union negotiations, NCPA agreed to pay a maximum medical contribution of 90% of the Sacramento Kaiser Family rate per month in 2017 for IBEW Local 1245 employees and retirees, HEA employees and retirees, and wishes to provide the same benefit to its unrepresented employees and retirees.

In 2017, the employee and annuitant groups will continue to receive an employer contribution for CalPERS Medical Plans that is subject to the maximum dollar amount approved for payment. In order to fix NCPA's contribution maximum amount, a CalPERS resolution is required for each employee group.

FISCAL IMPACT:

The cost of the Agency's contribution for the CalPERS Medical Plans for employees and annuitants is included in the current fiscal year approved budget. The recommended monthly maximum contribution amount of \$1,615.91 for 2017 is \$10.66 less per employee/annuitant than the approved amount of \$1,626.56 in 2016.

ENVIRONMENTAL ANALYSIS:

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

Respectfully submitted,



RANDY S. HOWARD
General Manager

Attachments:

- NCPA Commission Resolution 16-74

- CalPERS Resolutions 16-74 A through 16-74 I (9 separate resolutions for each employee Group)

RESOLUTION 16-74

RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY ADOPTING THE FIXED AMOUNT OF THE AGENCY CONTRIBUTION FOR CALPERS MEDICAL PLANS FOR EMPLOYEES AND ANNUITANTS FOR CALENDAR YEAR 2017

(reference Staff Report #205:16)

WHEREAS, the Northern California Power Agency (NCPA) is an employer participating in the CalPERS medical plan program under the Public Employees' Medical and Hospital Care Act for its employees and annuitants; and

WHEREAS, NCPA desires to change the employer's contribution toward the cost of employees' and annuitants' medical coverage to an amount equal to or greater than prescribed by Section 22892(b) as authorized by Section 22892(a) and 22893 of the Government Code; and

WHEREAS, NCPA is fixing its maximum employer contribution under the CalPERS medical plan at an amount previously negotiated with its labor organizations, IBEW Local 1245 and HEA, for employees and is providing an equivalent benefit to its unrepresented employees and retirees; and

WHEREAS, the Agency's employer contribution for each employee or annuitant for calendar year 2017 shall be a fixed amount of up to \$1,615.91 per month for the enrollment of the employee or annuitant and his/her dependents, plus CalPERS administrative fees and Contingency Reserve Fund assessments; 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 fixed amount of \$1,615.91 per month as the maximum Agency contribution for the CalPERS Medical Plans for employees and annuitants and their dependents for calendar year 2017; and approve specific CalPERS Resolutions for each employee and/or employee/annuitant group including Resolution Nos. 16-74 A for IBEW Local 1245-Group 200, 16-74 B for HEA-Group 300, 16-74 C for Unrepresented Staff-Group 400, 16-74 D for Power Generation Employees-NPERS Group 701, 16-74 E for Unrepresented Administrative Members-NPERS Group 702, 16-74 F for HEA-NPERS Group 702, 16-74 G for IBEW Local 1245-Group 002, 16-74 H for HEA-Group 003, and 16-74 I for Unrepresented Staff-Group 004.

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			

BOB LINGL
CHAIR

ATTEST:

CARY A. PADGETT
ASSISTANT SECRETARY

RESOLUTION NO. 16-74 A

WHEREAS, (1) **Northern California Power Agency** is a contracting agency under Government Code Section 22920 and subject to the Public Employees' Medical and Hospital Care Act (the "Act") for participation by members of **IBEW Local 1245 (Group 200)** ; and

WHEREAS, (2) **Northern California Power Agency** is a contracting agency has filed a resolution with the Board of the California Public Employees' Retirement System to provide a postretirement health benefits vesting requirement to employees who retire for service in accordance with Government Code Section 22893; and

RESOLVED, (a) That the employer contribution for each annuitant subject to vesting shall be the amount necessary to pay the full cost of his/her enrollment, including the enrollment of family members, in a health benefits plan or plans up to a maximum of **\$1,615.91** per month, but not less than the amounts prescribed by Section 22893(a)(1), plus Administrative fees and Contingency Reserve Fund assessments; and be it further,

RESOLVED, (b) **Northern California Power Agency** has fully complied with any and all applicable provisions of Government Code Section 7507 in electing the benefits set forth above; and be it further

RESOLVED, (c) That the participation of the employees and annuitants of **Northern California Power Agency** shall be subject to determination of its status as an “agency or instrumentality of the state or political subdivision of a State” that is eligible to participate in a governmental plan within the meaning of Section 414(d) of the Internal Revenue Code, upon publication of final Regulations pursuant to such Section. If it is determined that **Northern California Power Agency** would not qualify as an agency or instrumentality of the state or political subdivision of a State under such final Regulations, the California Public Employees’ Retirement System may be obligated, and reserves the right to terminate the health coverage of all participants of the employer; and be it further

RESOLVED, (d) That the executive body appoint and direct, and it does hereby appoint and direct, the General Manager to file with the Board a verified copy of this resolution, and to perform on behalf of **Northern California Power Agency** all functions required of it under the Act.

Adopted at a regular meeting of the NCPA Commission at Roseville, CA, this day
of , 2016.

Signed: _____
Bob Lingl, Commission Chair

Attest: _____
Cary A. Padgett, Commission Assistant Secretary

RESOLUTION NO. 16-74 B

WHEREAS, (1) **Northern California Power Agency** is a contracting agency under Government Code Section 22920 and subject to the Public Employees' Medical and Hospital Care Act (the "Act") for participation by members of **Hydroelectric Employees Association (Group 300)** ; and

WHEREAS, (2) **Northern California Power Agency** is a contracting agency has filed a resolution with the Board of the California Public Employees' Retirement System to provide a postretirement health benefits vesting requirement to employees who retire for service in accordance with Government Code Section 22893; and

RESOLVED, (a) That the employer contribution for each annuitant subject to vesting shall be the amount necessary to pay the full cost of his/her enrollment, including the enrollment of family members, in a health benefits plan or plans up to a maximum of **\$1,615.91** per month, but not less than the amounts prescribed by Section 22893(a)(1), plus Administrative fees and Contingency Reserve Fund assessments; and be it further,

RESOLVED, (b) **Northern California Power Agency** has fully complied with any and all applicable provisions of Government Code Section 7507 in electing the benefits set forth above; and be it further

RESOLVED, (c) That the participation of the employees and annuitants of **Northern California Power Agency** shall be subject to determination of its status as an “agency or instrumentality of the state or political subdivision of a State” that is eligible to participate in a governmental plan within the meaning of Section 414(d) of the Internal Revenue Code, upon publication of final Regulations pursuant to such Section. If it is determined that **Northern California Power Agency** would not qualify as an agency or instrumentality of the state or political subdivision of a State under such final Regulations, the California Public Employees’ Retirement System may be obligated, and reserves the right to terminate the health coverage of all participants of the employer; and be it further

RESOLVED, (d) That the executive body appoint and direct, and it does hereby appoint and direct, the General Manager to file with the Board a verified copy of this resolution, and to perform on behalf of **Northern California Power Agency** all functions required of it under the Act.

Adopted at a regular meeting of the NCPA Commission at Roseville, CA, this day of _____, 2016.

Signed: _____
Bob Lingl, Commission Chair

Attest: _____
Cary A. Padgett, Commission Assistant Secretary

RESOLUTION NO. 16-74 C

WHEREAS, (1) **Northern California Power Agency** is a contracting agency under Government Code Section 22920 and subject to the Public Employees' Medical and Hospital Care Act (the "Act") for participation by members of **Unrepresented Staff (Group 400)** ; and

WHEREAS, (2) **Northern California Power Agency** is a contracting agency has filed a resolution with the Board of the California Public Employees' Retirement System to provide a postretirement health benefits vesting requirement to employees who retire for service in accordance with Government Code Section 22893; and

RESOLVED, (a) That the employer contribution for each annuitant subject to vesting shall be the amount necessary to pay the full cost of his/her enrollment, including the enrollment of family members, in a health benefits plan or plans up to a maximum of **\$1,615.91** per month, but not less than the amounts prescribed by Section 22893(a)(1), plus Administrative fees and Contingency Reserve Fund assessments; and be it further,

RESOLVED, (b) **Northern California Power Agency** has fully complied with any and all applicable provisions of Government Code Section 7507 in electing the benefits set forth above; and be it further

RESOLVED, (c) That the participation of the employees and annuitants of **Northern California Power Agency** shall be subject to determination of its status as an “agency or instrumentality of the state or political subdivision of a State” that is eligible to participate in a governmental plan within the meaning of Section 414(d) of the Internal Revenue Code, upon publication of final Regulations pursuant to such Section. If it is determined that **Northern California Power Agency** would not qualify as an agency or instrumentality of the state or political subdivision of a State under such final Regulations, the California Public Employees’ Retirement System may be obligated, and reserves the right to terminate the health coverage of all participants of the employer; and be it further

RESOLVED, (d) That the executive body appoint and direct, and it does hereby appoint and direct, the General Manager to file with the Board a verified copy of this resolution, and to perform on behalf of **Northern California Power Agency** all functions required of it under the Act.

Adopted at a regular meeting of the NCPA Commission at Roseville, CA, this day of _____, 2016.

Signed: _____
Bob Lingl, Commission Chair

Attest: _____
Cary A. Padgett, Commission Assistant Secretary

RESOLUTION NO. 16-74 D

WHEREAS, (1) **Northern California Power Agency** is a contracting agency under Government Code Section 22920 and subject to the Public Employees' Medical and Hospital Care Act (the "Act") for participation by members of **Power Generation Employees (NPERS Group 701)**; and

WHEREAS, (2) Government Code Section 22892(a) provides that a contracting agency subject to Act shall fix the amount of the employer contribution by resolution; and

WHEREAS, (3) Government Code Section 22892(b) provides that the employer contribution shall be an equal amount for both employees and annuitants, but may not be less than the amount prescribed by Section 22892(b) of the Act; and

RESOLVED, (a) That the employer contribution for each employee or annuitant shall be the amount necessary to pay the full cost of his/her enrollment, including the enrollment of family members, in a health benefits plan or plans up to a maximum of **\$1,615.91** per month, plus administrative fees and Contingency Reserve Fund assessments; and be it further

RESOLVED, (b) **Northern California Power Agency** has fully complied with any and all applicable provisions of Government Code Section 7507 in electing the benefits set forth above; and be it further

RESOLVED, (c) That the participation of the employees and annuitants of **Northern California Power Agency** shall be subject to determination of its status as an "agency or instrumentality of the state or political subdivision of a State" that is eligible to participate in a governmental plan within the meaning of Section 414(d) of the Internal Revenue Code, upon publication of final Regulations pursuant to such Section. If it is determined that **Northern California Power Agency** would not qualify as an agency or instrumentality of the state or political subdivision of a State under such final Regulations, CalPERS may be obligated, and reserves the right to terminate the health coverage of all participants of the employer.

RESOLVED, (d) That the executive body appoint and direct, and it does hereby appoint and direct, the General Manager to file with the Board a verified copy of this resolution, and to perform on behalf of **Northern California Power Agency** all functions required of it under the Act.

Adopted at a regular meeting of the NCPA Commission at Roseville, CA, this day
of , 2016.

Signed: _____
Bob Lingl, Commission Chair

Attest: _____
Cary A. Padgett, Commission Assistant Secretary

RESOLUTION NO. 16-74 E

WHEREAS, (1) **Northern California Power Agency** is a contracting agency under Government Code Section 22920 and subject to the Public Employees' Medical and Hospital Care Act (the "Act") for participation by members of **Unrepresented Administrative Members (NPERS Group 702)**; and

WHEREAS, (2) Government Code Section 22892(a) provides that a contracting agency subject to Act shall fix the amount of the employer contribution by resolution; and

WHEREAS, (3) Government Code Section 22892(b) provides that the employer contribution shall be an equal amount for both employees and annuitants, but may not be less than the amount prescribed by Section 22892(b) of the Act; and

RESOLVED, (a) That the employer contribution for each employee or annuitant shall be the amount necessary to pay the full cost of his/her enrollment, including the enrollment of family members, in a health benefits plan or plans up to a maximum of **\$1,615.91** per month, plus administrative fees and Contingency Reserve Fund assessments; and be it further

RESOLVED, (b) **Northern California Power Agency** has fully complied with any and all applicable provisions of Government Code Section 7507 in electing the benefits set forth above; and be it further

RESOLVED, (c) That the participation of the employees and annuitants of **Northern California Power Agency** shall be subject to determination of its status as an “agency or instrumentality of the state or political subdivision of a State” that is eligible to participate in a governmental plan within the meaning of Section 414(d) of the Internal Revenue Code, upon publication of final Regulations pursuant to such Section. If it is determined that **Northern California Power Agency** would not qualify as an agency or instrumentality of the state or political subdivision of a State under such final Regulations, CalPERS may be obligated, and reserves the right to terminate the health coverage of all participants of the employer.

RESOLVED, (d) That the executive body appoint and direct, and it does hereby appoint and direct, the General Manager to file with the Board a verified copy of this resolution, and to perform on behalf of **Northern California Power Agency** all functions required of it under the Act.

Adopted at a regular meeting of the NCPA Commission at Roseville, CA, this day of _____, 2016.

Signed: _____
Bob Lingl, Commission Chair

Attest: _____
Cary A. Padgett, Commission Assistant Secretary

RESOLUTION NO. 16-74 F

WHEREAS, (1) **Northern California Power Agency** is a contracting agency under Government Code Section 22920 and subject to the Public Employees' Medical and Hospital Care Act (the "Act") for participation by members of **Hydroelectric Employees Association (NPERS Group 703)**; and

WHEREAS, (2) Government Code Section 22892(a) provides that a contracting agency subject to Act shall fix the amount of the employer contribution by resolution; and

WHEREAS, (3) Government Code Section 22892(b) provides that the employer contribution shall be an equal amount for both employees and annuitants, but may not be less than the amount prescribed by Section 22892(b) of the Act; and

RESOLVED, (a) That the employer contribution for each employee or annuitant shall be the amount necessary to pay the full cost of his/her enrollment, including the enrollment of family members, in a health benefits plan or plans up to a maximum of **\$1,615.91** per month, plus administrative fees and Contingency Reserve Fund assessments; and be it further

RESOLVED, (b) **Northern California Power Agency** has fully complied with any and all applicable provisions of Government Code Section 7507 in electing the benefits set forth above; and be it further

RESOLVED, (c) That the participation of the employees and annuitants of **Northern California Power Agency** shall be subject to determination of its status as an "agency or instrumentality of the state or political subdivision of a State" that is eligible to participate in a governmental plan within the meaning of Section 414(d) of the Internal Revenue Code, upon publication of final Regulations pursuant to such Section. If it is determined that **Northern California Power Agency** would not qualify as an agency or instrumentality of the state or political subdivision of a State under such final Regulations, CalPERS may be obligated, and reserves the right to terminate the health coverage of all participants of the employer.

RESOLVED, (d) That the executive body appoint and direct, and it does hereby appoint and direct, the General Manager to file with the Board a verified copy of this resolution, and to perform on behalf of **Northern California Power Agency** all functions required of it under the Act.

Adopted at a regular meeting of the NCPA Commission at Roseville, CA, this day
of _____, 2016.

Signed: _____
Bob Lingl, Commission Chair

Attest: _____
Cary A. Padgett, Commission Assistant Secretary

RESOLUTION NO. 16-74 H

WHEREAS, (1) **Northern California Power Agency** is a contracting agency under Government Code Section 22920 and subject to the Public Employees' Medical and Hospital Care Act (the "Act") for participation by members of **Hydroelectric Employees Association (Group 003)**; and

WHEREAS, (2) Government Code Section 22892(a) provides that a contracting agency subject to Act shall fix the amount of the employer contribution by resolution; and

WHEREAS, (3) Government Code Section 22892(b) provides that the employer contribution shall be an equal amount for both employees and annuitants, but may not be less than the amount prescribed by Section 22892(b) of the Act; and

RESOLVED, (a) That the employer contribution for each employee or annuitant shall be the amount necessary to pay the full cost of his/her enrollment, including the enrollment of family members, in a health benefits plan or plans up to a maximum of **\$1,615.91** per month, plus administrative fees and Contingency Reserve Fund assessments; and be it further

RESOLVED, (b) **Northern California Power Agency** has fully complied with any and all applicable provisions of Government Code Section 7507 in electing the benefits set forth above; and be it further

RESOLVED, (c) That the participation of the employees and annuitants of **Northern California Power Agency** shall be subject to determination of its status as an "agency or instrumentality of the state or political subdivision of a State" that is eligible to participate in a governmental plan within the meaning of Section 414(d) of the Internal Revenue Code, upon publication of final Regulations pursuant to such Section. If it is determined that **Northern California Power Agency** would not qualify as an agency or instrumentality of the state or political subdivision of a State under such final Regulations, CalPERS may be obligated, and reserves the right to terminate the health coverage of all participants of the employer.

RESOLVED, (d) That the executive body appoint and direct, and it does hereby appoint and direct, the General Manager to file with the Board a verified copy of this resolution, and to perform on behalf of **Northern California Power Agency** all functions required of it under the Act.

Adopted at a regular meeting of the NCPA Commission at Roseville, CA, this day of _____, 2016.

Signed: _____
Bob Lingl, Commission Chair

Attest: _____
Cary A. Padgett, Commission Assistant Secretary

RESOLUTION NO. 16-74 I

WHEREAS,	(1)	Northern California Power Agency is a contracting agency under Government Code Section 22920 and subject to the Public Employees' Medical and Hospital Care Act (the "Act") for participation by members of Unrepresented Staff (Group 004) ; and
WHEREAS,	(2)	Government Code Section 22892(a) provides that a contracting agency subject to Act shall fix the amount of the employer contribution by resolution; and
WHEREAS,	(3)	Government Code Section 22892(b) provides that the employer contribution shall be an equal amount for both employees and annuitants, but may not be less than the amount prescribed by Section 22892(b) of the Act; and
RESOLVED,	(a)	That the employer contribution for each employee or annuitant shall be the amount necessary to pay the full cost of his/her enrollment, including the enrollment of family members, in a health benefits plan or plans up to a maximum of \$1,615.91 per month, plus administrative fees and Contingency Reserve Fund assessments; and be it further
RESOLVED,	(b)	Northern California Power Agency has fully complied with any and all applicable provisions of Government Code Section 7507 in electing the benefits set forth above; and be it further
RESOLVED,	(c)	That the participation of the employees and annuitants of Northern California Power Agency shall be subject to determination of its status as an "agency or instrumentality of the state or political subdivision of a State" that is eligible to participate in a governmental plan within the meaning of Section 414(d) of the Internal Revenue Code, upon publication of final Regulations pursuant to such Section. If it is determined that Northern California Power Agency would not qualify as an agency or instrumentality of the state or political subdivision of a State under such final Regulations, CalPERS may be obligated, and reserves the right to terminate the health coverage of all participants of the employer.
RESOLVED,	(d)	That the executive body appoint and direct, and it does hereby appoint and direct, the General Manager to file with the Board a verified copy of this resolution, and to perform on behalf of Northern California Power Agency all functions required of it under the Act.

Adopted at a regular meeting of the NCPA Commission at Roseville, CA, this day
of , 2016.

Signed: _____
Bob Lingl, Commission Chair

Attest: _____
Cary A. Padgett, Commission Assistant Secretary



RECOMMENDATION:

Staff recommends that the Commission approve the 2017/18 Operating Budget directions as presented and instruct staff to prepare the draft 2017/18 Operating Budget in accordance with those approved directions.

BACKGROUND:

As part of the budget process, staff is seeking Commission approval of budget direction prior to budget preparation for next fiscal year (2017/18). Staff discussed the budget review process and specific budget directions/targets with the Utility Directors at their meeting on October 13, 2016. No changes were suggested by the Utility Directors.

Staff will present the attached presentation and request approval of the directions included therein.

FISCAL IMPACT:

Direction provided in this presentation will provide budget guidance for fiscal year 2017/18. Specific fiscal impact is not known at this time. Actual fiscal impact will be presented at the time of final approval of the 2017/18 Operating Budget, currently scheduled for April 2017.

ENVIRONMENTAL ANALYSIS:

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

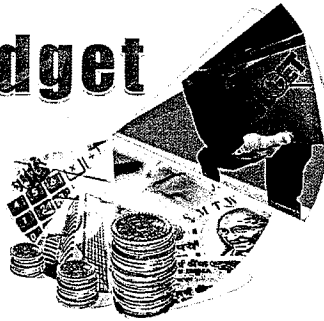
Respectfully submitted,

RANDY S. HOWARD
General Manager

Attachment: PowerPoint Presentation

NCPA Operating Budget for FY17/18 Proposed Process and Directions

Budget



Commission Meeting
October 27, 2016

1

Budget Process & Timeline



Commission
Direction

- Receive Commission Direction in October

Staff
Preparation

- November/December
- Management review in January

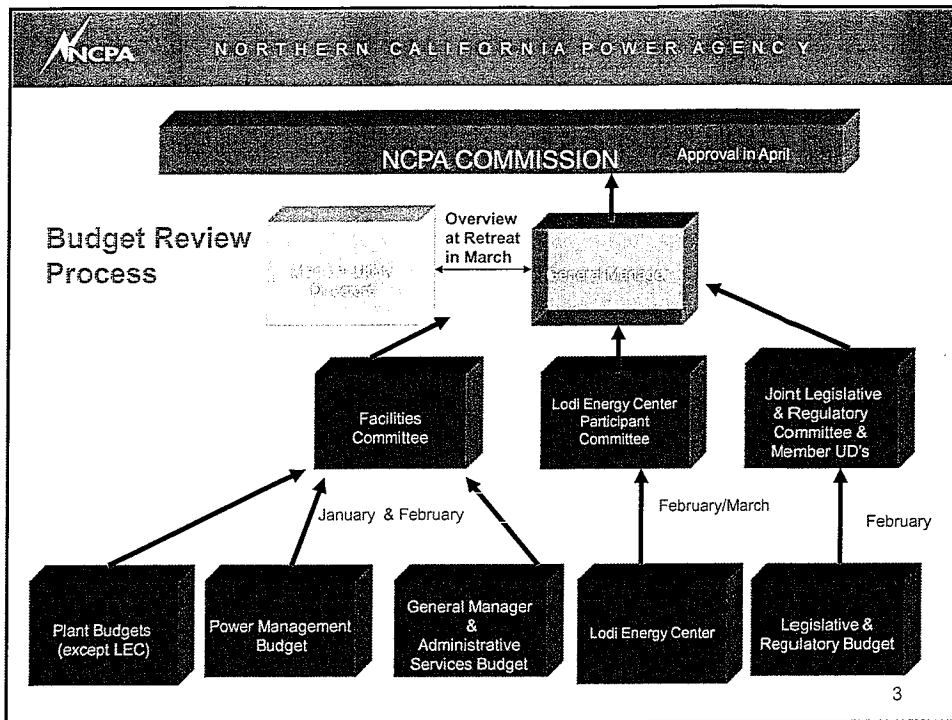
Member
Reviews
7-9
Meetings

- Facilities Committee (January, February, April (if needed))
- Lodi Energy Center Participants Committee (February, March, April)
- Legislative and Regulatory Committee (February)
- Utility Directors (March Retreat, April meeting)
- Commission Preview (March)

Commission
Approval

- April, 2017

2

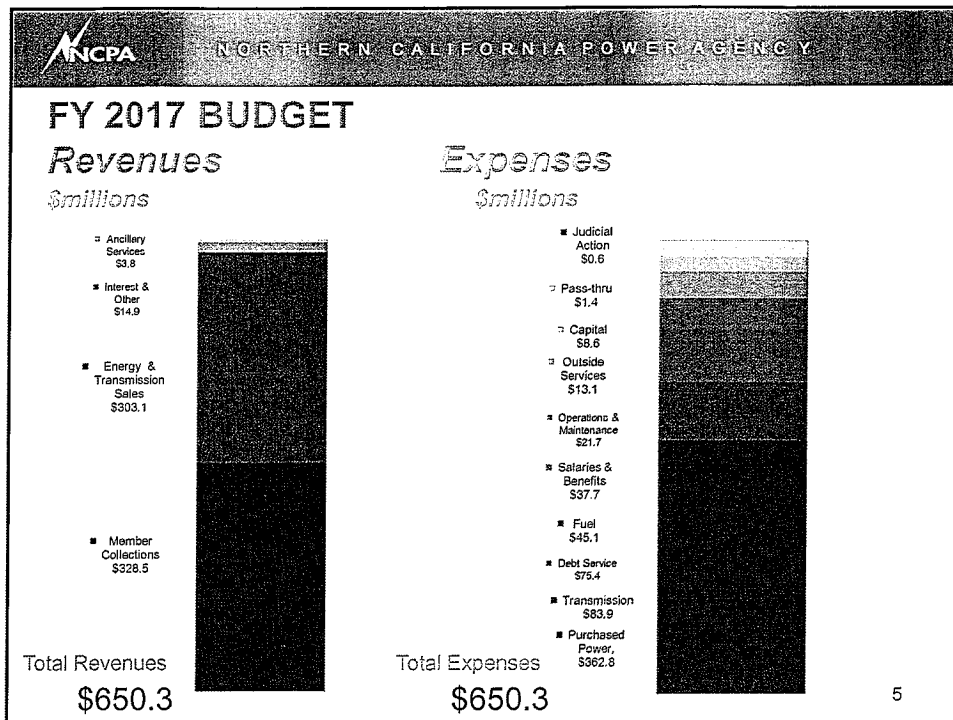


NCPA NORTHERN CALIFORNIA POWER AGENCY

Proposed Budget Process

- Budget is prepared on a project/program basis
- Allocation for all allocated costs (Power Management, Legislative & Regulatory, Judicial Action, Administrative and General and direct allocations) will use previously approved methods – no changes proposed
- Overall strategic direction based on approved strategic plan
- Continued focus on NCPA controllable costs and additional sharing of costs (economies of scale)

4



NCPA NORTHERN CALIFORNIA POWER AGENCY

Historical Budget Direction for Operating Costs

Fiscal Year	Budget Direction	Actual Budget Proposal
FY 08/09	Roll Over	5% decrease
FY 09/10	5% increase...but	11% decrease
FY 10/11	Roll Over	14% decrease
FY 11/12	Roll Over	17% decrease
FY 12/13	Roll Over	Roll Over
FY 13/14	2.645%	1% decrease
FY 14/15	2.0%	0.75% increase
FY 15/16	2.2%	0.6% increase ¹
FY 16/17	2.4%	1.2% increase ¹

¹ Adjusted for variable cost increases due to increased generating output

6



Specific Budget Direction for 2017/18

Pass-through items

- All of the following will be as based on information from outside entities
 - TANC, Western, CAISO, Market Resources, Member Resources, APPA dues, SEPA, BAMX, other special pass through items, etc.

Legal

- Judicial action and all other legal expenses will be rolled over based on previous year budget
- Any additional legal budget will be specifically requested via budget augmentation for specific purposes

Capital Outlay

- Capital projects for plants and Headquarters/Information Services to be specifically reviewed by Facilities Committee/LEC Participants

7



Specific Budget Direction for 2017/18

Plant costs

- Debt service as scheduled plus trustee & administrative costs
- Fuel, as required for estimated plant operations
- Regular operating & maintenance – target **2.2%** increase
- Special maintenance projects – reviewed specifically with participants (Facilities Committee & LEC Participants)

Salaries and Benefits

- Salary & benefits budget will be based on union contracts (3.25 increase). Will include 2.5% for broadbanding adjustments, merit, promotions, upgrades, certifications, etc.
- Pension and OPEB (retiree medical) expenses will be based on actuarially determined amounts to fund ongoing obligations, plus approved additional funding per OPEB long-term funding plan.
- Will consider additional funding of Pension plan as part of budget

All other operating expenses

- Target **2.2%** increase from previous year base budget.

8

Recommendation

- Recommend Commission approval of the budget guidelines as outlined in this report

Historical Budget Direction for Salaries & Benefits

Fiscal Year	Budget Direction	Actual Budget Proposal	FTE Without LEC
FY 08/09	Freeze headcount at 169; based on union contracts	2.5% increase (excluding OT for overhaul)	165
FY 09/10	Frozen at \$29.3mm	At target	160
FY 10/11	Frozen at \$29.3mm	\$600k below target	153
FY 11/12	Frozen at \$29.3mm	\$1.9mm below target	141
FY 12/13	Frozen at \$29.3mm	At target	144
FY 13/14	Based on union contracts	2.5% increase	143
FY 14/15	Based on union contracts	1.0% decrease	141
FY 15/16	Based on union contracts	2.2% increase	141.5 ₁₀



Commission Staff Report

October 19, 2016

COMMISSION MEETING DATE: October 27, 2016

SUBJECT: 2016 Salary Study and Recommendations for 2017 Salary Ranges

AGENDA CATEGORY: Discussion/Action

FROM:	Vicki Cichocki <i>VLC</i>	METHOD OF SELECTION:
	Human Resources Manager	N/A
Division:	Executive Services	
Department:	Human Resources	

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 the Commission approve Resolution 16-78 to assign new salary grades to select job classifications, approve the 2017 salary ranges and pay schedule, and delegate authority to the General Manager to implement as well as make any minor adjustments as necessary.

BACKGROUND:

In 2015 NCPA issued a Request for Proposal for a comprehensive Total Compensation study of the Agency's unrepresented job classifications (Total Compensation includes base salary, benefits and bonuses). The Agency last conducted such a study in 2009. Based on a competitive bid process, NCPA awarded the contract to Koff & Associates.

Working with Koff & Associates, Human Resources and NCPA's senior management team identified 30 benchmark jobs to be used in the study. These positions included a wide range of job classifications across a broad mix of job families determined to be likely to exist in other utility organizations. These included Accounting, Human Resources, Engineering, Government Relations, Information Technology, Dispatch, and others.

This same team identified 15 entities for Koff to compare NCPA's total compensation against. This comparator group included publicly owned utilities, privately owned utilities, other joint action agencies with operations similar to NCPA, and companies with whom NCPA competes for talent. Most of the comparator groups were Northern or Southern California based utilities, i.e. Sacramento Municipal Utility District (SMUD), Western Area Power Authority (WAPA), California Department of Water Resources (CDWR), Silicon Valley Power (SVP), Los Angeles Department of Water and Power (LADWP), PG&E, Calpine, City of Roseville, CAISO, etc. However, since NCPA's talent recruitment efforts reach outside California into the Western U.S. or even nationally, NCPA also included Utah Associated Municipal Power Systems (UAMPS), American Municipal Power (AMP), and Seattle City Light.

Using updated job descriptions, Koff matched NCPA's job descriptions to the comparators' job descriptions and collected pay, benefits, and bonus data on these benchmark positions. Following Koff's job matching, Koff vetted the job matches with Human Resources and the respective AGM's to ensure high quality job matches. Once the job matches were confirmed, Koff calculated the market rates for these positions.

Koff determined that the majority of NCPA's positions are competitive in their current pay grades. Overall, the report showed NCPA's base salaries are 1.8% below the market. Koff then built new pay ranges and mapped NCPA's positions into the appropriate salary grades. Job classifications which were more than five percent above (or below) the market were recommended for movement to a lower (or higher) salary grade.

Based on the study results, most classifications (60) will remain in the same pay grades, although some classifications, primarily in the Computer Technology and Power Settlements job families will move up (20) and others, primarily in the Accounting and Materials Coordinator job families, will move down (8). In addition, some classifications recommended for salary grade changes, up or down, will not be fully implemented due to internal alignment issues. As

incumbents leave those positions, NCPA will backfill the positions at the recommended lower salary grades.

Koff's study indicated that the Dispatcher pay ranges are 1% above the market. A second 2016 Power System Dispatcher study performed by Cooperative Personnel Services (CPS) on behalf of WAPA reported similar results. However, a management review of that data looking at the California only group led to NCPA recommending that the Dispatcher salary ranges be increased by 3.5% in 2016 and 3.25% in 2017. These percentage increases align with those previously approved by the Commission for NCPA's represented IBEW and HEA employees.

Preliminary calculations indicate that only a handful of employees will be above the maximum for their salary grades. NCPA intends to freeze those employees' salaries until the salary ranges catch up. In addition, four employees will be below the minimum for their job classifications. NCPA proposes to address this during the annual merit cycle in December. At that time, NCPA will bring those employees' pay up to the minimum of the job classifications and additionally give those employees an annual merit increase as may be warranted.

FISCAL IMPACT:

Total annual cost to bring the employees up to the minimum of their respective job classifications is approximately \$17,562.80 and funding is included in the current fiscal year budget. Funds are available in NCPA's Salaries and Benefits accounts.

ENVIRONMENTAL ANALYSIS:

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

Respectfully submitted,



RANDY S. HOWARD
General Manager

Attachment: (2)

- Resolution
- NCPA Administrative & General Wage Structure Effective December 25, 2016

RESOLUTION 16-78

RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY APPROVING THE ASSIGNMENT OF NEW SALARY GRADES TO SELECT JOB CLASSIFICATIONS AND APPROVING THE 2017 SALARY RANGES AND PAY SCHEDULE

(reference Staff Report #212:16)

WHEREAS, NCPA hired Koff & Associates to perform a total compensation study to evaluate NCPA's pay and benefits practices relative to the labor market; and

WHEREAS, NCPA and its members wish to ensure that NCPA's relative labor market pay position is consistent with the Agency's desired competitive position; and

WHEREAS, NCPA and its members wish to ensure that the Agency's salary ranges enable the Agency to successfully attract and compete for talent in the marketplace; and

WHEREAS, NCPA and its members wish to ensure the Agency has the ability to retain its highly skilled, experienced talent; and

WHEREAS, Koff & Associates has now completed this study and has determined that NCPA's salary ranges are slightly behind the desired market position; and

WHEREAS, Koff & Associates has recommended changes to NCPA's salary ranges for 2017 and has also recommended that various job classifications move to different salary grades; and

WHEREAS, NCPA and its members wish to implement the compensation changes recommended by Koff & Associates; 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, NCPA and its members are committed to managing labor costs while ensuring that highly skilled staff are available to consult with and provide guidance to members' staff; and

NOW, THEREFORE BE IT RESOLVED that the Commission of the Northern California Power Agency approves the grade assignments to select job classifications, approves the 2017 salary ranges and pay schedule shown in the Northern California Pay Schedule Effective December 25, 2016, and delegates authority to the General Manager to implement as well as make any minor adjustments as necessary.

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			

BOB LINGL
CHAIR

ATTEST: _____
CARY A. PADGETT
ASSISTANT SECRETARY

NORTHERN CALIFORNIA POWER AGENCY
ADMINISTRATIVE GENERAL WAGE STRUCTURE
Effective December 25, 2016

GRADE	JOB CLASSIFICATION/JOB FAMILY	MINIMUM		CONTROL POINT		CTRL PT PLUS 15%	
		ANNUAL	HOURLY	ANNUAL	HOURLY	ANNUAL	HOURLY
15	1 ACCOUNTANT/ANALYST I	65,438.00	31.46	81,798.00	39.33	94,068.00	45.23
17	1 ACCOUNTANT/ANALYST II	75,622.00	36.36	94,528.00	45.45	108,707.00	52.26
19	1 ACCOUNTANT/ANALYST III	87,391.00	42.01	109,239.00	52.52	125,624.00	60.40
9	1 ACCOUNTING CLERK I	42,402.00	20.39	53,002.00	25.48	60,952.00	29.30
11	1 ACCOUNTING CLERK II	49,000.00	23.56	61,250.00	29.45	70,438.00	33.86
13	1 ACCOUNTING CLERK III	56,626.00	27.22	70,782.00	34.03	81,400.00	39.13
9	1 ADMINISTRATIVE ASSISTANT/OFFICE ADMINISTRATOR I	42,402.00	20.39	53,002.00	25.48	60,952.00	29.30
11	1 ADMINISTRATIVE ASSISTANT/OFFICE ADMINISTRATOR II	49,000.00	23.56	61,250.00	29.45	70,438.00	33.86
13	1 ADMINISTRATIVE ASSISTANT/OFFICE ADMINISTRATOR III	56,626.00	27.22	70,782.00	34.03	81,400.00	39.13
30	1 AGM I/SENIOR DIRECTOR (E.g. Business Development)	193,624.00	93.09	242,030.00	116.36	278,335.00	133.81
31	1 AGM II (E.g. Power Mgmt, Generation, Leg & Reg, CFO/Admin)	208,146.00	100.07	260,182.00	125.09	299,210.00	143.85
32	1 AGM III	223,757.00	107.58	279,696.00	134.47	321,650.00	154.64
23	1 ASSISTANT CONTROLLER	116,708.00	56.11	145,885.00	70.14	167,768.00	80.66
25	1 ASSISTANT MANAGER: INFORMATION SERVICES	134,871.00	64.84	168,588.00	81.05	193,876.00	93.21
6E	1 ASSISTANT, STUDENT I	26,295.00	12.64	32,869.00	15.80	37,799.00	18.17
6F	1 ASSISTANT, STUDENT II	32,666.00	15.70	40,833.00	19.63	46,958.00	22.58
6G	1 ASSISTANT, STUDENT III	40,581.00	19.51	50,726.00	24.39	58,335.00	28.05
6H	1 ASSISTANT, STUDENT IV	46,896.00	22.55	58,621.00	28.18	67,414.00	32.41
43	1 COMPUTER OPERATOR II/DATA ANALYST	56,626.00	27.22	70,782.00	34.03	81,400.00	39.13
14	1 COMPUTER TECHNOLOGY ANALYST	60,873.00	29.27	76,091.00	36.58	87,505.00	42.07
17	1 COMPUTER TECHNOLOGY ANALYST I	75,622.00	36.36	94,528.00	45.45	108,707.00	52.26
19	1 COMPUTER TECHNOLOGY ANALYST II	87,391.00	42.01	109,239.00	52.52	125,624.00	60.40
21	1 COMPUTER TECHNOLOGY ANALYST III	100,991.00	48.55	126,239.00	60.69	145,175.00	69.80
23	1 COMPUTER TECHNOLOGY ANALYST IV	116,708.00	56.11	145,885.00	70.14	167,768.00	80.66
20	1 ENERGY RESOURCE ANALYST III	93,945.00	45.17	117,432.00	56.46	135,046.00	64.93
16	1 ENERGY RESOURCE ANALYST I	70,346.00	33.82	87,933.00	42.28	101,123.00	48.62
23	1 ENERGY RESOURCE ANALYST IV	116,708.00	56.11	145,885.00	70.14	167,768.00	80.66
16	1 ENGINEER I	70,346.00	33.82	87,933.00	42.28	101,123.00	48.62
18	1 ENGINEER II	81,294.00	39.08	101,617.00	48.85	116,860.00	56.18
23	1 ENGINEER IV	116,708.00	56.11	145,885.00	70.14	167,768.00	80.66
18	1 ENGINEER /ENERGY RESOURCE ANALYST II	81,294.00	39.08	101,617.00	48.85	116,860.00	56.18
20	1 ENGINEER III	93,945.00	45.17	117,432.00	56.46	135,046.00	64.93
24	1 ENGINEER V: SUPERVISING /PLANT	125,461.00	60.32	156,826.00	75.40	180,350.00	86.71
20	1 ENVIRONMENTAL, HEALTH & SAFETY SPECIALIST	93,945.00	45.17	117,432.00	56.46	135,046.00	64.93
16	1 EXECUTIVE ASSISTANT	70,346.00	33.82	87,933.00	42.28	101,123.00	48.62
36	1 GENERAL MANAGER	298,820.00	143.66	373,525.00	179.58	429,554.00	206.52
16	1 GEOLOGIST I	70,346.00	33.82	87,933.00	42.28	101,123.00	48.62
18	1 GEOLOGIST II	81,294.00	39.08	101,617.00	48.85	116,860.00	56.18
20	1 GEOLOGIST III	93,945.00	45.17	117,432.00	56.46	135,046.00	64.93
23	1 GEOLOGIST IV	116,708.00	56.11	145,885.00	70.14	167,768.00	80.66
24	1 GEOLOGIST V	125,461.00	60.32	156,826.00	75.40	180,350.00	86.71
16	1 GOVERNMENT RELATIONS REPRESENTATIVE I	70,346.00	33.82	87,933.00	42.28	101,123.00	48.62
18	1 GOVERNMENT RELATIONS REPRESENTATIVE II	81,294.00	39.08	101,617.00	48.85	116,860.00	56.18
20	1 GOVERNMENT RELATIONS REPRESENTATIVE III	93,945.00	45.17	117,432.00	56.46	135,046.00	64.93
22	1 GOVERNMENT RELATIONS REPRESENTATIVE IV	108,565.00	52.19	135,707.00	65.24	156,063.00	75.03
16	1 HUMAN RESOURCES ANALYST I	70,346.00	33.82	87,933.00	42.28	101,123.00	48.62
18	1 HUMAN RESOURCES ANALYST II	81,294.00	39.08	101,617.00	48.85	116,860.00	56.18
20	1 HUMAN RESOURCES ANALYST III	93,945.00	45.17	117,432.00	56.46	135,046.00	64.93
13	1 HUMAN RESOURCES ASSISTANT	56,626.00	27.22	70,782.00	34.03	81,400.00	39.13
27	1 HUMAN RESOURCES DIRECTOR	155,860.00	74.93	194,825.00	93.67	224,048.00	107.72
25	1 HUMAN RESOURCES MANAGER	134,871.00	64.84	168,588.00	81.05	193,876.00	93.21
13	1 LEGISLATIVE PROGRAM ASSISTANT	56,626.00	27.22	70,782.00	34.03	81,400.00	39.13
27	1 MANAGER, INFORMATION SERVICES	155,860.00	74.93	194,825.00	93.67	224,048.00	107.72
27	1 MANAGER, INFORMATION SERVICES & POWER SETTLEMENTS	155,860.00	74.93	194,825.00	93.67	224,048.00	107.72
29	1 MANAGER, PLANT	180,115.00	86.59	225,144.00	108.24	258,916.00	124.48
26	1 MANAGER, RELIABILITY COMPLIANCE	144,986.00	69.70	181,232.00	87.13	208,417.00	100.20
17	1 MATERIALS/WAREHOUSE COORDINATOR I	75,622.00	36.36	94,528.00	45.45	108,707.00	52.26
19	1 MATERIALS/WAREHOUSE COORDINATOR II	87,391.00	42.01	109,239.00	52.52	125,624.00	60.40
25	1 MGR. REGULATORY PROGRAM	134,871.00	64.84	168,588.00	81.05	193,876.00	93.21
7	1 OFFICE ASSISTANT I	36,691.00	17.64	45,864.00	22.05	52,744.00	25.36

NORTHERN CALIFORNIA POWER AGENCY
ADMINISTRATIVE GENERAL WAGE STRUCTURE
Effective December 25, 2016

GRADE	JOB CLASSIFICATION/JOB FAMILY	ANNUAL	HOURLY	ANNUAL	HOURLY	ANNUAL	HOURLY
9 ¹	OFFICE ASSISTANT II	42,402.00	20.39	53,002.00	25.48	60,952.00	29.30
22¹	POWER SETTLEMENTS ANALYST	108,565.00	52.19	135,707.00	65.24	156,063.00	75.03
16 ¹	POWER SETTLEMENTS ANALYST I	70,346.00	33.82	87,933.00	42.28	101,123.00	48.62
18 ¹	POWER SETTLEMENTS ANALYST II	81,294.00	39.08	101,617.00	48.85	116,860.00	56.18
20 ¹	POWER SETTLEMENTS ANALYST III	93,945.00	45.17	117,432.00	56.46	135,046.00	64.93
25 ¹	POWER SETTLEMENTS MANAGER	134,871.00	64.84	168,588.00	81.05	193,876.00	93.21
23¹	PRE-SCHEDULER, LEAD	116,708.00	56.11	145,885.00	70.14	167,768.00	80.66
23 ¹	SCHEDULER/PLANNER, POWER	116,708.00	56.11	145,885.00	70.14	167,768.00	80.66
23 ¹	SENIOR COMPUTER TECH. ANALYST, POWER (E.g. BILLING & SETTLEMENTS)	116,708.00	56.11	145,885.00	70.14	167,768.00	80.66
18 ¹	SHAREPOINT ADMINISTRATOR	81,294.00	39.08	101,617.00	48.85	116,860.00	56.18
4 ¹	STUDENT HELPER (OFFICE/PLANT)	29,535.00	14.20	36,919.00	17.75	42,457.00	20.41
27 ¹	SUPERINTENDENT, GENERATION RESOURCES	155,860.00	74.93	194,825.00	93.67	224,048.00	107.72
22 ¹	SUPERVISOR I, POWER SETTLEMENTS	108,565.00	52.19	135,707.00	65.24	156,063.00	75.03
20 ¹	SUPERVISOR I, (CHEMICAL, GENERAL SERVICES)	93,945.00	45.17	117,432.00	56.46	135,046.00	64.93
24 ¹	SUPERVISOR II, (PLANT, ENERGY RISK, ENGINEERING)	125,461.00	60.32	156,826.00	75.40	180,350.00	86.71
27 ¹	SUPERVISOR III, (POWER MGT., COORD. OPERATION, REG/ENVIRON COMP PRG)	155,860.00	74.93	194,825.00	93.67	224,048.00	107.72
27 ¹	TREASURER-CONTROLLER	155,860.00	74.93	194,825.00	93.67	224,048.00	107.72
HEA ²	HYDRO TECH	87,568.00	42.10	113,318.40	54.48		
HEA ²	HYDRO TECH APPRENTICE	59,321.60	28.52	81,099.20	38.99		
HEA ²	HYDRO TECH OPERATOR	118,996.80	57.21	118,996.80	57.21		
IBEW ²	CT SPECIALIST - LEAD	124,155.20	59.69	124,155.20	59.69		
IBEW ²	CT SPECIALIST I - V	85,051.20	40.89	118,185.60	56.82		
IBEW ²	MECHANIC OPERATOR - LEAD	116,729.60	56.12	116,729.60	56.12		
IBEW ²	MECHANIC OPERATOR - LEAD (RELIEF)	116,729.60	56.12	116,729.60	56.12		
IBEW ²	MECHANIC OPERATOR I - V	85,051.20	40.89	111,176.00	53.45		
IBEW ²	OPERATOR TECHNICIAN - LEAD	119,724.80	57.56	119,724.80	57.56		
IBEW ²	OPERATOR TECHNICIAN - LEAD (RELIEF)	119,724.80	57.56	119,724.80	57.56		
IBEW ²	OPERATOR TECHNICIAN I - V	85,051.20	40.89	114,108.80	54.86		
IBEW ²	STOREKEEPER	57,657.60	27.72	69,180.80	33.26		
IBEW ²	TECHNICIAN CHEMICAL/PERFORMANCE	105,268.80	50.61	105,268.80	50.61		
IBEW ²	TECHNICIAN OPERATOR - LEAD	123,468.80	59.36	123,468.80	59.36		
IBEW ²	TECHNICIAN OPERATOR I - V	85,051.20	40.89	117,686.40	56.58		
³	SCHEDULE COORDINATOR I	67,538.00	32.47	90,181.00	43.36		
³	SCHEDULE COORDINATOR II	94,897.00	45.62	109,897.00	52.84		
³	SCHEDULE COORDINATOR III	115,062.00	55.32	132,957.00	63.92		
³	SYSTEM DISPATCHER	104,853.00	50.41	146,739.00	70.55		
³	SYSTEM DISPATCHER, LEAD	115,062.00	55.32	154,091.00	74.08		
NOTES: () Is not part of classification but is included for clarification of grade assignment)							
TOTAL POSITIONS							

Page 2 of 2

Note ¹ Non-union employees whose whose salaries exceed the control may be granted a lump sum merit increase which is not added to base pay.

Note ² IBEW = International Brotherhood of Electrical Workers

HEA = Hydroelectric Employees Association

These are union classifications subject to the Memorandum of Understanding and overtime, shift differential, relief, upgrade and travel pay may be added to base pay when appropriate.

Note ³ Schedule Coordinators and Dispatchers receive overtime, relief pay in addition to step increases



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Minutes – Draft

To: NCPA Commission
From: Cary A. Padgett, Assistant Secretary to the Commission
Subject: September 23, 2016, NCPA Commission Meeting

Item #1 – Call Meeting to Order and Introductions

Chairperson Carol Garcia called the meeting to order at 10:00 am The Resort at Squaw Creek, 400 Squaw Creek, Olympic Valley, California. A quorum was present. Introductions were made and. Those in attendance are shown on the attached attendance list.

Item #2 – Approve Minutes of the August 25, 2016, Regular Commission Meeting

Chair Garcia recommended that the word evaluated be changed to evacuated in Item #3 of the General Manager's Report.

Motion: A motion was made by Gary Plass and seconded by Roger Frith to approve the Minutes of the August 25, 2016, Regular Commission meeting and that the minutes will reflect the change of the word evaluated to evacuated in Item #3 under the General Manger's Report. 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 Basil Wong, Port of Oakland.

REPORTS AND COMMITTEE UPDATES

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

- Thanked NCPA staff for their efforts in providing an excellent NCPA Annual Conference.
- Provided an overview of the Annual Conference, including the speakers and panel discussions.
- Gave a brief overview of the Power Management items on today's Agenda regarding additional services.
- Mentioned that staff plans to meet with NCPA Pool Members to review and discussion future renewable portfolios, and to work through a process of how to meet the state's 50 percent renewable and SB 350 requirements.

Item #4 – Executive Committee

Committee Chair Carol Garcia reported that the Committee met that morning and heard a report from the General Manager, discussed the results of NCPA's Salary Survey, and discussed a closed session item. No reportable action was taken on the closed session item.

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 13, 14 and 15 today's Agenda. A quorum of the Committee was present at the meeting. The Committee recommended Commission approval of all items.

Item #6 – Finance Committee

Committee Chair Madeline Deaton reported that the Committee held a Special meeting on September 14th and reviewed and discussed the following: 1) held an orientation session to provide the new Committee members an overview of the Committee's duties; 2) received an overview of the NCPA debt portfolio and introduced the Committee to the various consultants who support NCPA in administration of NCPA's debt; 3) reviewed the proposed Geothermal bond refinancing draft documents, which is Item 16 on today's Agenda; 4) reviewed the June 30, 2016 Debt and Interest Rate Management Report, which is Item 12 on today's Agenda; and 5) heard a report on the proposed audit plan for fiscal year 2016 from Moss Adams.

A Special Committee meeting is scheduled for October 19th at 9:30 am to review the draft audit report. The next regular Committee meeting will be held on November 9th at 10:00 am.

Item #7 – Legal Committee

General Counsel Michael Dean reported that the Committee met on September 21st and reviewed and discussed a list of FERC dockets. The Committee also discussed closed session Item 17 on today's Agenda. No reportable action was taken that item.

Item #8 – Legislative & Regulatory Affairs Committee

Committee Chair Bob Lingl reported that the Committee met on September 21st and heard a panel of stakeholders discuss regionalization issues.

The next Committee meeting will be held on November 30th.

Item #9 – Members' Announcements & Meeting Reporting

Greg Scharff, Palo Alto, announced that Ed Shikada was named Palo Alto's new Utility Director.

CONSENT CALENDAR

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

Motion: A motion was made by Gary Plass and seconded by Barry Tippin to approve the Consent Calendar consisting of Items 10, 11, 12, 13, 14, and 15. The motion carried by a majority of those members present on a roll call vote.
BART was absent.

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

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

Item #12 – June 30, 2016, Debt & Interest Rate Management Report – note and file by all members the June 30, 2016, Debt & Interest Rate Management Report.

Fiscal Impact: total projected savings over the life of the related bonds (23 years) was \$13.9 million at the inception of these agreements. Total savings projected to occur through June 30, 2016 was \$4,603,187 with actual results at \$8,040,753. The difference between expected savings and actual savings is due to “basis risk”, or the difference between what NCPA pays for underlying variable rate bonds and the index rate used in the swap transaction. Total basis risk to date is positive, resulting in additional savings over those expected of \$3,437,566. Staff continues to monitor the potential for refinancing these bonds and terminating the swaps, however, with current low treasury rates causing a large mark to market payment due to Citigroup of over \$25.2 million, refunding is not feasible at this time.

Item # 13 – Resolution 16-68, Approval of Professional Services Agreement between NCPA and the County of Placer – adopt resolution by all members approving the Professional Services Agreement by and between NCPA and the County of Placer, and authorize the General Manager of NCPA to execute the Professional Services Agreement, on behalf of NCPA, including any modifications to the Professional Services Agreement approved by NCPA’s General Counsel.

Fiscal Impact: work associated with development of the Professional Services Agreement has been undertaken pursuant to approved Power Management budget categories, and costs associated with this effort are allocated in accordance with the NCPA annual budget.
Redding abstained.

Item # 14 – Resolution 16-69, Approval of Power Management and Administrative Services Cost Allocation Modeling Assumptions for the City of Shasta Lake – adopt resolution by all members approving the Power Management and Administrative Services Cost allocation modeling assumptions, as the basis for developing an estimated cost for NCPA’s provision of certain Power Management and Administrative Services to the City of Shasta Lake, as a prospective Member of NCPA.

Fiscal Impact: work associated with development of the City of Shasta Lake Power Management and Administrative Services Cost allocation modeling assumptions has been undertaken pursuant to approved Power Management budget categories, and costs associated with this effort are allocated in accordance with the NCPA annual budget.

Item #15 – Resolution 16-70, Approval of Services Agreement Between Northern California Power Agency and Merced Irrigation District – adopt resolution by all members approving the Services Agreement between Northern California Power Agency and Merced Irrigation District, and authorize the General Manager of NCPA to execute the Services Agreement between Northern California Power Agency and Merced Irrigation District, on behalf of NCPA, including any non-substantive modifications approved by NCPA's General Counsel.

Fiscal Impact: in consideration for NCPA's provision of services under the Services Agreement, MEID shall pay NCPA an amount equal to \$390,000 for services rendered during the first complete one (1) year period of the term of the Services Agreement. For each subsequent one (1) year period of the term of the Services Agreement, MEID shall pay NCPA an amount equal to the sum of the annual amount charged to MEID during the prior year escalated at a rate of 2.5% per year. In addition to such compensation, MEID shall compensate NCPA for all supplemental services supplied to MEID on a time and materials basis, in accordance with the applicable supplemental services wage schedule contained in the Services Agreement.

DISCUSSION / ACTION ITEMS

Item #16 – Resolution 16-67, Approval of Issuance of Up to \$20 Million Fixed Rate Geothermal Project Number 3 Revenue Bonds (2016 Refunding Series A – adopt resolution by all members authorizing issuance of up to \$20 million of fixed rate Geothermal Project Number 3 Revenue Bonds (2016 Refunding Series A) and delegates to the General Manager and other NCPA official's authority to execute the related legal documents needed to issue those bonds through a direct loan with Bank of America.

Fiscal Impact: estimated present value savings over the current expected debt service costs for the 2009A Series Geothermal Bonds are approximately \$1.0 million dollars over the remaining life of the bonds or 6.3% of refunded par amount; this is above the 5% present value savings target. Cost allocation for savings from this refunding is based on project participation percentages for the Geothermal Project. Savings are net of the estimated cost of issuance which is approximately \$200,000 for bank fees, legal, financial advisory and other services.

Estimated savings for the proposed financing (by participant) is shown below:

Participant	Percentage	Estimated PV Savings
Alameda	16.8825%	\$ 165,957
Biggs	0.2270%	\$ 2,231
Gridley	0.3360%	\$ 3,303
Healdsburg	3.6740%	\$ 36,116
Lodi	10.2800%	\$ 101,053
Lompoc	3.6810%	\$ 36,185
TID	6.3305%	\$ 62,229
Roseville	7.8830%	\$ 77,491
Santa Clara	44.3905%	\$ 436,363
Ukiah	5.6145%	\$ 55,191
Plumas-Sierra REC	0.7010%	\$ 6,891
Total	100.0000%	\$ 983,010

Assistant General Manager and CFO Donna Stevener provided a presentation on Refunding Geothermal Revenue Bonds. NCPA issued an RFP in June to bankers for refunding opportunities. The proposal is to refund a portion of the 2009A Geothermal Bonds over eight years at approximately 1.68% interest. Estimated present value savings is approximately \$1.0

million. Staff is recommending approval of issuance of up to \$20 million in refunding bonds, approving bonds documents and authorizing execution of documents. The Finance Committee met under a Special Committee meeting on September 14th and recommend approval.

Motion: A motion was made by Doug Crane and seconded by Gary Plass to adopt Resolution 16-67, Approval of Issuance of Up to \$20 Million Fixed Rate Geothermal Project Number 3 Revenue Bonds (2016 Refunding Series A). The motion carried unanimously on a roll call vote of those members present.

Port of Oakland, Redding and Truckee Donner abstained. BART was absent.

CLOSED SESSION

Item # 17 – 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.

OPEN SESSION

REPORT FROM CLOSED SESSION

Upon return to open session, General Counsel Michael Dean reported there was no reportable action taken on Closed Session Item 17.

NEW BUSINESS

General Counsel Michael Dean announced his plans to retire in February 2017.

ADJOURNMENT

The September 23, 2016, Commission meeting was adjourned at 11:08 am.

Respectfully submitted,

//

CARY A. PADGETT

Assistant Secretary to the Commission

Attachments

Northern California Power Agency
Commission Meeting of September 23, 2016
COMMISSIONER
Attendance List

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

MEMBER	NAME
ALAMEDA	Madeline Clayton
BIGGS	Roy I. Lutz
GRIDLEY	PAUL ECKERT
HEALDSBURG	Meyn [Signature]
LODI	[Signature]
LOMPOC	Bob L. [Signature]
PALO ALTO	Craig [Signature]
PORT OF OAKLAND	M. Proulx
PLUMAS-SIERRA REC	Don Kenney
REDDING	[Signature]
ROSEVILLE	Carl Garcia
SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT	
SANTA CLARA	D. Koldas
TRUCKEE DONNER	Alphonse Hollebeugh
UKIAH	DOUGLAS CRANE

**Northern California Power Agency
Commission Meeting of September 23, 2016
Attendance List**

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

NAME	AFFILIATION
Roger Frith	Biggs
BARRY TIPPIN	REU
Michelle Bertolino	Roseville
JOE MANDELL	Roseville
Pauline Roccucci	Roseville
Donna Stevener	NCPA
Jane Ratchue	City of Palo Alto
It [unclear]	City of Palo Alto
Debra Lloyd	City of Palo Alto
Basil Wong	Port of Oakland
Marc Bauer	Orrick, Herrington & Sutcliffe LLP
EUGENE CARRON	Orrick Herrington & Sutcliffe LLP
BARRY LESKA BN	ALAMEDA
DENNIS Sismat	NCPA
Dave Doodman	NCPA
Tony Zimmer	NCPA
Wesley Gray	PSREC
Robert Binnor	PSREC
Dan Kenney	PSREC
Mike Brozo	PSREC
Bob Marshall	PSREC
Med [unclear]	unaffiliated
Ken Speer	NCPA

**Northern California Power Agency
Commission Meeting of September 23, 2016
Attendance List**

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

NAME	AFFILIATION
ALAN KUZOTORI	SANTA CLARA
John Roukema	"
PAT KOLSTAD	"
Jayne Kinner	"
SCOTT SCOTT TOMASHEFSKI	NCPA
Bob Young	NCPA
Mike DeBortoli	NCPA
Jules L. Marchessault	City of Col.
Liz Kirkley	City of Lodi
Steve Schwabauer	Lodi
Janice D. Maadich	City of Lodi
Mario DeBernardo	NCPA
Tom Miller	City of Shasta Lake
Shannon McCann	Roseville
Randy Banerjee	NCPA
Todd White	Roseville
Brent ten Pas	NCPA
Garry Phas	HEALDSBURG
Vicki Cichocki	NCPA
Bob Ling	Lompoc
Jan Curcione	NCPA
Ann Padgett	NCPA

CONSENT CALENDAR

All items on the Consent Calendar are considered routine and will be approved without discussion by a single-roll call vote. Any Commissioner or member of the public may remove any item from the Consent Calendar. If an item is removed, it will be discussed separately following approval of the remainder of the Consent Calendar.

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

CONSENT CALENDAR ROLL-CALL APPROVAL

Commission Meeting Date: 9/23/16

Consent Items Listed on the Agenda: # 10 to # 15

Consent Items Removed from the Agenda and Approved Separately:

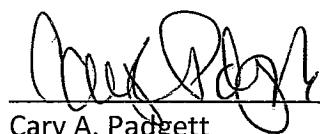
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Biggs / Redding

ROLL-CALL VOTE BY MEMBERS:

Member	Item Numbers Abstained	Vote	Absent
Alameda		X	
BART			X
Biggs		X	
Gridley		X	
Healdsburg		X	
Lodi		X	
Lompoc		X	
Palo Alto		X	
Port of Oakland		X	
Redding	13	X	
Roseville		X	
Santa Clara		X	
Truckee Donner		X	
Ukiah		X	
Plumas-Sierra		X	

ATTEST:



Cary A. Padgett
Assistant Secretary to the Commission

Northern California Power Agency

ROLL CALL VOTE

Topic: item 16 - Reso 16-07

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

Passed and adopted this 23rd day of September 2016, by the above vote on roll call.

Carol Garcia
CAROL GARCIA
Chairperson

ATTEST:

Cary A. Padgett
CARY A. PADGETT
Assistant Secretary