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# Commission Staff Report

**COMMISSION MEETING DATE:** December 2, 2021

**SUBJECT:** Amended and Restated Facilities Agreement Facilities Schedule 15 – South Feather Power Project Operations Procedures

**AGENDA CATEGORY:** Consent

<b>FROM:</b> Tony Zimmer <i>TZ</i>	<b>METHOD OF SELECTION:</b>
Assistant General Manager	N/A
<b>Division:</b> Power Management	<i>If other, please describe:</i>
<b>Department:</b> Power Management	

**IMPACTED MEMBERS:**

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

*If other, please specify*

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**RECOMMENDATION:**

Approve Resolution 21-116 adopting and approving incorporating Facilities Schedule 15 into the Amended and Restated Facilities Agreement for South Feather Power Project Operating Procedures, with any non-substantial modifications recommended and approved by the NCPA General Counsel.

**BACKGROUND:**

Pursuant to Resolution 21-83, the Commission authorized the General Manager of NCPA to enter into the Power Purchase Agreement between South Feather Water and Power Agency (SFWPA) and NCPA (PPA), and the Third Phase Agreement for Power Purchase Agreement with South Feather Water and Power Agency (Third Phase Agreement). As further described in the PPA and Third Phase Agreement, NCPA, acting on behalf of the Participants, will purchase certain energy, capacity rights and associated environmental attributes supplied from the South Feather Power Project.

In accordance with the PPA, NCPA will schedule and dispatch the South Feather Power Project, and SFWPA will own, operate and maintain the South Feather Power Project. Upon full execution of the Third Phase Agreement, NCPA is authorized to enter into the PPA on behalf of the Participants, and such PPA shall then be deemed a NCPA Project by the Commission pursuant to the Amended and Restated Facilities Agreement.

Since NCPA will be acting as project manager on behalf of the Participants regarding scheduling and dispatching of the South Feather Power Project, NCPA staff have developed Facilities Schedule 15 that sets forth the operating principles and procedures that will be used by NCPA to manage such activities. Pursuant to the Amended and Restated Facilities Agreement, the Commission may approve incorporating Facilities Schedule 15 to the Amended and Restated Facilities Agreement in accordance with the voting procedures set forth in the Amended and Restated Facilities Agreement.

Facilities Schedule 15 is attached to this staff report for your reference.

**FISCAL IMPACT:**

NCPA's costs for development and administration of Facilities Schedule 15 will be allocated to Members in accordance with the Third Phase Agreement, the Power Management and Administrative Services Agreement, the Amended and Restated Facilities Agreement, and approved cost allocation methodologies as described in the NCPA annual budget.

**ENVIRONMENTAL ANALYSIS:**

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

Respectfully submitted,

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

RANDY S. HOWARD  
General Manager

Attachments:

- Resolution 21-116
- Facilities Schedule 15 (South Feather Power Project Operating Procedures)

**RESOLUTION 21-116**

**RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY  
APPROVING AMENDED AND RESTATED FACILITIES AGREEMENT FACILITIES  
SCHEUDLE 15**

**(reference Staff Report #248:21)**

WHEREAS, pursuant to Resolution 21-83, the Commission authorized the General Manager of NCPA to enter into the Power Purchase Agreement between South Feather Water and Power Agency (SFWPA) and NCPA (PPA), and the Third Phase Agreement for Power Purchase Agreement with South Feather Water and Power Agency (Third Phase Agreement), and as further described in the PPA and Third Phase Agreement, NCPA, acting on behalf of the Participants, will purchase certain energy, capacity rights and associated environmental attributes supplied from the South Feather Power Project; and

WHEREAS, in accordance with the PPA, NCPA will schedule and dispatch the South Feather Power Project, and SFWPA will own, operate and maintain the South Feather Power Project, and upon full execution of the Third Phase Agreement, NCPA is authorized to enter into the PPA on behalf of the Participants, and such PPA shall then be deemed a NCPA Project by the Commission pursuant to the Amended and Restated Facilities Agreement; and

WHEREAS, since NCPA will be acting as project manager on behalf of the Participants regarding scheduling and dispatching of the South Feather Power Project, NCPA staff have developed Facilities Schedule 15 that sets forth the operating principles and procedures that will be used by NCPA to manage such activities; and

WHEREAS, pursuant to the Amended and Restated Facilities Agreement, the Commission may approve incorporating Facilities Schedule 15 to the Amended and Restated Facilities Agreement in accordance with the voting procedures set forth in the Amended and Restated Facilities Agreement; and

WHEREAS, NCPA's costs for development and administration of Facilities Schedule 15 will be allocated to Members in accordance with the Third Phase Agreement, the Power Management and Administrative Services Agreement, the Amended and Restated Facilities Agreement, and approved cost allocation methodologies as described in the NCPA annual budget; and

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

NOW, THEREFORE BE IT RESOLVED, that the Commission of the Northern California Power Agency adopts and approves Resolution 21-116 to incorporate Facilities Schedule 15 into the Amended and Restated Facilities Agreement for South Feather Power Project Operating Procedures, with any non-substantial modifications recommended and approved by the NCPA General Counsel.

PASSED, ADOPTED and APPROVED this \_\_\_\_ day of \_\_\_\_\_, 2021, by the following vote on roll call:

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

\_\_\_\_\_  
 DAVID HAGELE  
 CHAIR

ATTEST: \_\_\_\_\_  
 CARY A. PADGETT  
 ASSISTANT SECRETARY

**FACILITIES SCHEDULE 15**  
**SOUTH FEATHER POWER PROJECT**  
**OPERATING PROCEDURES**

**Section 1. Definitions.** Unless defined in this Facilities Schedule 15, all terms used in this Facilities Schedule 15 with initial capitalization shall have the same meaning as those contained in Section 1 of this Agreement.

1.1 “Dry Water Conditions” means the period of historic record during which the SFPP Project could produce minimum project generation usable to supply load requirements.

1.2 “FERC License” means the license awarded by FERC for construction and operation of the SFPP Project, FERC Project Number 2088, as such may be amended from time to time.

1.3 “Forecast Project Inflow” means the amount of SFPP Project inflow for a period of one month or less based on hydrometeorological forecast methods considering current flows, antecedent flows, snow pack measurements, antecedent precipitation, forecast precipitation, and forecast air temperatures.

1.4 “SFPP Minimum Release Rule Curve Storage” means the quantity of water of SFPP Project storage which must be retained to ensure that the SFPP Project can satisfy minimum release requirements under Dry Water Conditions.

1.5 “SFPP Spill Prevention Rule Curve Storage” means the minimum quantity of water in SFPP Project Storage which the project manager determines can be held in storage and assure refill based on conservative forecasts of runoff using snow pack measurements and long-range precipitation forecasts. SFPP Spill Prevention Rule Curve Storage may be less than the SFPP Minimum Release Curve Storage.

1.6 “Project Capacity” means the sum of the SFPP Project Capacity.

1.7 “Project Obligations” means the obligations of the SFPP Project as defined in the FERC License and agreements with local water districts and other governmental entities as applicable.

1.8 “Project Minimum Flow Obligations” are the minimum flows to be maintained at specified locations as provided in the FERC License.

1.9 “RA Substitute Capacity” means capacity that the CAISO permits under the CAISO Tariff to be substituted for a Resource Adequacy Resource that is on outage.

1.10 “Resource Adequacy Attributes” and “RA” means the benefits or attributes, if any, now or existing in the future based on the procurement obligations of a load serving entity with respect to Resource Adequacy as prescribed by the CPUC, the CAISO or any other regional entity, and that are associated with the electric generating capability of a facility.

1.11 “Resource Adequacy Resource” means a facility that is designated to provide RA.

1.12 “Regulation Study” means a study to determine the maximum monthly loads that can be supplied by monthly SFPP Project inflows when such flows are regulated by SFPP Project storage and the SFPP Project is operated to satisfy Project Obligations under the FERC License.

1.13 “South Feather Power Project” or “SFPP Project” means the four existing hydroelectric generating plants operating under a FERC license (FERC Project No. 2088): the Forbestown Powerhouse, the Kelly Ridge Powerhouse, the Sly Creek Powerhouse and the Woodleaf Powerhouse.

**Section 2. General Operating Criteria.** The following general operating criteria are applicable to the operation of the SFPP Project. The General Manager of NCPA, or his or her designee, shall act as project manager and single Operating Entity for the SFPP Project on behalf of the Project Participants.

2.1 Good Utility Practice. The SFPP Project shall be operated in accordance with Good Utility Practice.

2.2 Licenses and Regulatory Criteria. The SFPP Project shall be operated in accordance with all license and regulatory requirements that are applicable to the SFPP Project, including the FERC License.

2.3 Data Requirements. NCPA shall strive to maintain an accurate accounting of all available SFPP Project measurements and data, as described in this Facilities Schedule 15, which are used to manage and allocate the output of the SFPP Project;



provided, however, if due to failure of equipment, data transfer error or other condition in which SFPP Project measurements and data are found to be incorrect, NCPA will develop and use estimated measurements and data pursuant to Good Utility Practice to perform its obligations pursuant to this Facilities Schedule 15, until such deficiency can be corrected.

2.4 SFPP Project Statistics. The following are general Hydroelectric Project statistics:

<u>Resource Name</u>	<u>Resource ID</u>	<u>Pmax</u>	<u>Pmin</u>
Forbestown Hydro	FORBST_7_UNIT 1	37.50 MW	0.00 MW
Kelly Ridge Hydro	KELYRG_6_UNIT	11.00 MW	0.00 MW
Sly Creek Hydro	SLYCRK_1_UNIT 1	13.00 MW	0.00 MW
Woodleaf Hydro	WDLEAF_7_UNIT 1	60.00 MW	0.00 MW

### **Section 3. Forecasting Project Storage and Use**

3.1 Project Storage Forecasts. For the period of December through May, the project manager will prepare a forecast of spring runoff based on hydrometeorology data including measurements of snow pack depth and water content and long-range forecasts of future precipitation. An analysis will be made to determine a SFPP Spill Prevention Rule Curve Storage required at the end of subsequent months through June to assure SFPP Project storage refill. For the period June-November, the project manager will develop a storage forecast based on historical or other relevant information. SFPP Spill Prevention Rule Curve Storage may be less than the SFPP

Minimum Release Rule Curve Storage. The project manager shall provide copies of all such forecasts and SFPP Spill Prevention Rule Curve Storage data to the Facilities Committee for review and comment.

3.2 Long Term Forecast of SFPP Project Output. Based on the information developed pursuant to Section 3.1 of this Facilities Schedule 15, and at least 10 Calendar Days prior to the start of each month, the project manager shall prepare a Regulation Study based on the Forecast Project Inflows to determine the forecasted SFPP Project generation output for the following month. The project manager shall transmit to each Project Participant the results of the Regulation Study for its respective Project Participation Percentage share of the SFPP Project.

#### **Section 4. Scheduling.**

4.1 Schedule Coordination. NCPA shall act as Scheduling Coordinator for the SFPP Project, and perform such duties in accordance with the Amended and Restated Scheduling Coordination Program Agreement.

4.2 Scheduling Criteria. The project manager, acting as the single Operating Entity for the SFPP Project, shall schedule and bid SFPP Project capacity, energy, and/or other project attributes into the CAISO markets, and shall strive to maximize the economic value of the SFPP Project; provided, however, that such schedules or bid shall be consistent with licensing and regulatory criteria, operational limitations, all established scheduling requirements, including, but not limited to, those requirements

set forth in the CAISO Tariff and as determined by NCPA pursuant to the Amended and Restated Scheduling Coordination Program Agreement, and the provisions of the respective Project Agreement.

4.3 Load Following. The SFPP Project may be utilized by NCPA to provide load following capacity. In such case, the load following Project Participants shall compensate the non-load following Project Participants to ensure that the non-load following Project Participants are held financially neutral or so that its contribution to margin from CAISO market awards is maintained.

4.4 Allocation of SFPP Project Output. All output of the SFPP Project, including capacity, energy and/or other project attributes shall be allocated among the Project Participants in accordance with the Project Agreement, this Facilities Schedule 15, and the Amended and Restated Scheduling Coordination Program Agreement.

4.5 Outage Coordination. No later than ninety (90) calendar days prior to the beginning of each Calendar Year the project manager shall prepare and submit a planned outage schedule for the SFPP Project for approval to the Facilities Committee. Changes or modifications made to the planned outage schedule during the course of the Calendar Year shall be subsequently reported to the Facilities Committee and each Project Participant in a timely manner, and with as much advanced notice as reasonably possible. Changes or modifications made to the planned outage schedule during the course of the Calendar Year shall be evaluated to determine if such changes or

modification may be in conflict with RA that has been committed by a Project Participant from the SFPP Project, if any. If a conflict is identified, NCPA shall review the identified conflict with the Facilities Committee and/or each Project Participant, as time may permit, to discuss options that may be available to enable discretionary maintenance to be performed in accordance with Good Utility Practices, but that also strives to minimize Project Participant risk associated with the identified RA conflict. NCPA shall provide outage coordination services to track and report planned and unplanned outages pursuant to the Amended and Restated Scheduling Coordination Program Agreement.

Each Project Participant has a right to use its Project Participation Percentage share of Project Capacity as RA, if any. In accordance with the CAISO Tariff, if RA is committed from a Resource Adequacy Resource for a period of time that is in conflict with a requested Maintenance Outage, the CAISO may require the facility to supply RA Substitute Capacity prior to CAISO approving the requested Maintenance Outages. If the facility that has been committed as a Resource Adequacy Resource fails to supply RA Substitute Capacity, as may be requested by the CAISO, the CAISO reserves the right to deny the requested Maintenance Outage.

To ensure NCPA, acting as project manager, is able to provide outage coordination services for the SFPP Project in accordance with Good Utility Practices, NCPA shall be authorized to procure RA Substitution Capacity on behalf of a Project

Participant if a Project Participant has committed all, or a portion, of its Project Participation Share of Project Capacity as RA during a time period that is in conflict with a requested Maintenance Outage, subject to the following conditions:

- (a) As set forth in this Section 4.5, NCPA shall distribute a report to the Project Participants identifying any conflicts that are due to the SFPP Project being claimed by a Project Participant as RA during a period of time that is in conflict with a requested Maintenance Outage;
- (b) Within 30 calendar days from the date the report is delivered to the Project Participants, a Project Participant may elect to supply RA Substitute Capacity to NCPA to substitute for its share, or a portion thereof, of Project Capacity the Project Participant has committed as RA that is in conflict with the requested Maintenance Outage<sup>1</sup>; provided, however, if the period of time available for NCPA to supply RA Substitute Capacity to CAISO, as set forth in the CAISO Tariff, does not allow sufficient time for a Project Participant to supply RA Substitute Capacity within 30 calendar days from the date of the report, NCPA will include a deadline in the report by

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<sup>1</sup> A Project Participant may request that NCPA assist with acquisition of RA Substitute Capacity, pursuant to any rights and obligations set forth in other program agreements (e.g., Amended and Restated Market Purchase Program Agreement).

which a Project Participant may supply RA Substitute Capacity (the “Replacement Period”);

- (c) After the Replacement Period, NCPA shall be authorized to seek to procure RA Substitute Capacity on behalf of a Project Participant, for the portion of Project Capacity that has been claimed by a Project Participant as RA that is in conflict with a requested Maintenance Outage, less the amount of RA Substitute Capacity that has been supplied to NCPA by Project Participants, if any, during the Replacement Period; and
- (d) Project Costs incurred by NCPA for purchasing RA Substitute Capacity shall be allocated to Project Participants in proportion to the amount of Project Capacity that is committed by a Project Participant as RA, adjusted for the amount of RA Substitute Capacity that was supplied to NCPA by a Project Participant during the Replacement Period.