




Commission Staff Report

Date: May 16, 2019

COMMISSION MEETING DATE: May 23, 2019

SUBJECT: Approval of Exhibit C, Revision 23 to Contract 96-SNR-00110

AGENDA CATEGORY: Discussion/Action

| | | |
|--------------------|---|-----------------------------------|
| FROM: | Tony Zimmer  | METHOD OF SELECTION: |
| | AGM, Power Management | N/A |
| Division: | Power Management | <i>If other, please describe:</i> |
| Department: | Power Management | |

| | | |
|--------------------------------------|-------------------------------------|---|
| IMPACTED MEMBERS: | | |
| All Members | <input type="checkbox"/> | City of Lodi <input checked="" type="checkbox"/> |
| Alameda Municipal Power | <input checked="" type="checkbox"/> | City of Shasta Lake <input type="checkbox"/> |
| San Francisco Bay Area Rapid Transit | <input type="checkbox"/> | City of Ukiah <input checked="" type="checkbox"/> |
| City of Biggs | <input checked="" type="checkbox"/> | City of Lompoc <input checked="" type="checkbox"/> |
| City of Gridley | <input checked="" type="checkbox"/> | City of Palo Alto <input checked="" type="checkbox"/> |
| City of Healdsburg | <input checked="" type="checkbox"/> | City of Redding <input type="checkbox"/> |
| | | City of Roseville <input type="checkbox"/> |
| | | City of Santa Clara <input 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"/> |
| <i>If other, please specify</i> | | |
| _____ | | |
| _____ | | |

RECOMMENDATION:

NCPA staff recommends that the Commission adopt a resolution approving Exhibit C, Revision 23 to Contract 96-SNR-00110, and authorize the General Manager of NCPA to execute Exhibit C, Revision 23 to Contract 96-SNR-00110, on behalf of NCPA, including any non-substantive modifications to Exhibit C, Revision 23 to Contract 96-SNR-00110 approved by NCPA's General Counsel.

BACKGROUND:

In December 2004, Northern California Power Agency (NCPA) executed the Agreement for the Funding of Operation and Maintenance for Central Valley Project Power Facilities (O&M Agreement) with the Western Area Power Administration (WAPA), Bureau of Reclamation (Reclamation) and other Central Valley Project (CVP) customers (Contract 96-SNR-00110). Under the O&M Agreement, CVP customers provide funds for specific operations, maintenance, and capital projects related to the CVP power plants, or the delivery of CVP energy, that would otherwise not be undertaken due to limited federal appropriations. These activities increase the quantity and enhance the reliability of energy delivered to NCPA under the Base Resource contract. WAPA returns funds to NCPA as a bill credit on its power bills. NCPA staff participate in the review and approval of projects chosen for funding, along with other WAPA customers who participate in the program.

NCPA is a party to the O&M Agreement, on behalf of certain NCPA members who have assigned their Base Resource percentages to NCPA to administer¹ (Assigning Members). WAPA periodically requests participants to the O&M Agreement to execute revisions to the individual Customer Commitment and Contribution, or Exhibit C, which reflect allocated shares of the total funding obligation approved through the customer approval process.

FISCAL IMPACT:

Execution of Exhibit C, Revision 23 to Contract 96-SNR-00110 would establish a commitment by NCPA, specifically the Assigning Members, to provide funds associated with Federal Fiscal Year 2023 in the amount of \$10,931,542.95. The obligation to provide funds survives termination of the O&M Agreement, but any and all future obligations would be absolved coincident with the termination of the Base Resource contract.

WAPA will invoice and collect funds according to a monthly schedule. Approximately one (1) month following payment, WAPA will return funds to NCPA through a bill credit on the monthly WAPA power bill. Therefore, the net fiscal impact is approximately zero dollars (\$0.00). Costs associated with this commitment will be allocated to the Assigning Members based on Western Allocation percentages.

Exhibit C, Revision 23 to Contract 96-SNR-00110 has been attached to this staff report for your reference.

¹ Cities of Alameda, Biggs, Gridley, Healdsburg, Lodi, Lompoc, Palo Alto, Ukiah, and Port of Oakland and Plumas-Sierra Rural Electric Cooperative.

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 (2):

- Resolution 19-33
- Exhibit C, Revision 23 to Contract 96-SNR-0010

RESOLUTION 19-33

RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY APPROVAL OF EXHIBIT C, REVISION 23 TO CONTRACT 96-SNR-00110

(reference Staff Report #146:19)

WHEREAS, in December 2004, Northern California Power Agency (NCPA) executed the Agreement for the Funding of Operation and Maintenance for Central Valley Project Power Facilities (O&M Agreement) with the Western Area Power Administration (WAPA), Bureau of Reclamation (Reclamation) and other Central Valley Project (CVP) customers (Contract 96-SNR-00110); and

WHEREAS, under the O&M Agreement, CVP customers provide funds for specific operations, maintenance, and capital projects related to the CVP power plants, or the delivery of CVP energy, that would otherwise not be undertaken due to limited federal appropriations; and

WHEREAS, NCPA is a party to the O&M Agreement, on behalf of certain NCPA members who have assigned their Base Resource percentages to NCPA to administer¹ (Assigning Members), and WAPA periodically requests participants to the O&M Agreement to execute revisions to the individual Customer Commitment and Contribution, or Exhibit C, which reflect allocated shares of the total funding obligation approved through the customer approval process; and

WHEREAS, execution of Exhibit C, Revision 23 to Contract 96-SNR-00110 would establish a commitment by NCPA, specifically the Assigning Members, to provide funds associated with Federal Fiscal Year 2023 in the amount of \$10,931,542.95, and the obligation to provide funds survives termination of the O&M Agreement, but any and all future obligations would be absolved coincident with the termination of the Base Resource contract; and

WHEREAS, WAPA will invoice and collect funds according to a monthly schedule, and approximately one (1) month following payment, WAPA will return funds to NCPA through a bill credit on the monthly WAPA power bill, and the net fiscal impact is approximately zero dollars (\$0.00), and costs associated with this commitment will be allocated to the Assigning Members based on Western Allocation percentages; 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 Exhibit C, Revision 23 to Contract 96-SNR-00110, and authorizes the General Manager of NCPA to execute Exhibit C, Revision 23 to Contract 96-SNR-0010, on behalf of NCPA, including any non-substantive modifications to Exhibit C, Revision 23 to Contract 96-SNR-00110 approved by NCPA's General Counsel.

¹ Cities of Alameda, Biggs, Gridley, Healdsburg, Lodi, Lompoc, Palo Alto, Ukiah, and Port of Oakland and Plumas-Sierra Rural Electric Cooperative.

PASSED, ADOPTED and APPROVED this ____ day of _____, 2019 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 | _____ | _____ | _____ |

 ROGER FRITH
 CHAIR

ATTEST: _____
 CARY A. PADGETT
 ASSISTANT SECRETARY

EXHIBIT C
 (Individual Customer Commitment and Contribution)

1. This Exhibit C, Revision 23, to be effective under and as a part of Contract 96-SNR-00110 (Agreement), shall become effective upon execution; and shall remain in effect until either superseded by another Exhibit C or termination of the Contract.
2. The Northern California Power Agency agrees to make a Contribution pursuant to Section 8 of the Agreement for the Fiscal Years (FY) and in the amounts specified in Column 6 of the table in Section 3 below.
3. Please specify your Contribution commitment level in Column 6.

| | Column 2 | Column 3 | Column 4 | Column 5 | Column 6 |
|------|---------------------------|-------------------------------------|--|--|--|
| FY | Fair-Share Funding Amount | Minimum Funding Amount ¹ | Revision 22 Contribution Commitment Level Amount | Proposed Revision 23 Contribution Commitment Level Amount | Revision 23 Contribution Commitment Level Amount |
| 2020 | \$9,928,304.01 | \$1,155,873.93 | \$9,928,304.01 | n/a | \$9,928,304.01 |
| 2021 | \$8,230,832.22 | \$1,267,441.31 | \$8,230,832.00 | n/a | \$8,230,832.00 |
| 2022 | \$8,588,447.97 | \$1,256,598.18 | \$8,588,447.97 | n/a | \$8,588,447.97 |
| 2023 | \$10,931,542.95 | 1,310,137.14 | n/a | \$10,931,542.95 | |

4. Fair-Share Funding Level amounts and Contribution commitment amounts, if any, are not shown for FYs prior to FY 2020 in the above table. For that information refer to an earlier revision of Exhibit C.

The signature below commits the Customer named to make Contributions in the amounts shown in the above table, but not greater than the amount indicated in the latest revision of the Contribution commitment level for a specific FY.

NORTHERN CALIFORNIA POWER AGENCY

By: _____
 Name: Randy S. Howard
 Title: General Manager
 Address: 651 Commerce Drive
Roseville, CA 95678
 Date: _____

Attest
 By: _____
 Title: _____

¹ To participate on the Governance Board, a Customer must contribute at least 1/12th of its share of the estimated annual O&M cost for the FY that is four (4) years out from the current FY. This minimum amount is set forth in Column 3 of this Exhibit.