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Special Commission Minutes

To: NCPA Commission
From: Carrie Pollo, Assistant Secretary to the Commission
Subject: NCPA Special Commission Meeting – January 5, 2024

1. *Call Meeting to Order and Introductions*

Chair Jerry Serventi called the meeting to order at 11:05 am at 651 Commerce Drive, Roseville, California. Introductions and roll call were made. Those in attendance are shown on the attached attendance list.

PUBLIC FORUM

Chair Serventi 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.

OPEN SESSION

DISCUSSION/ACTION ITEMS

2. ***Resolution 24-01, Reliable Turbine Services LLC – Five Year Multi-Task General Services Agreement; Applicable to the following: All Northern California Power Agency (NCPA) Facilities (Except the Lodi Energy Center), NCPA Members, Southern California Public Power Authority (SCPPA), and SCPPA Members*** – adopt resolution by all members authorizing the General Manager or his designee to enter into a Multi-Task General Services Agreement with Reliable Turbine Services LLC for inspection and maintenance services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$10,000,000 over five years, for use at any facilities owned and/or operated by NCPA (except the Lodi Energy Center), NCPA Members, by SCPPA and SCPPA Members.

Fiscal Impact: Upon execution, the total cost of the agreement is not to exceed \$10,000,000 over five years. Purchase orders referencing the terms and conditions of the agreement will be issued following NCPA procurement policies and procedures.

Motion: A motion was made by Sudhanshu Jain and seconded by Jeff Berkheimer recommending the Commission adopt Resolution 24-01 authorizing the General Manager or his designee to enter into a Multi-Task General Services Agreement with Reliable Turbine Services LLC for inspection and maintenance services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$10,000,000 over five years, for use at any facilities owned and/or operated by NCPA

(except the Lodi Energy Center), NCPA Members, by SCPPA and SCPPA Members. The motion carried by a majority of those members present on a roll call vote as follows:

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

3. **Resolution 24-02, NCPA Geothermal Plant 1, Unit 2 Turbine Overhaul Project; Applicable to the following: NCPA Geothermal Facility** – adopt resolution by all members authorizing the Geothermal (Geo) Plant 1, Unit 2 Turbine Overhaul Project and delegating authority to the General Manager or his designee to award bids, execute agreements, and to issue purchase orders for the project in accordance with NCPA purchasing policies and procedures, including approval for the turbine work to be awarded on a sole-source basis, without further approval by the Commission, for a total not to exceed \$7,200,000, and authorizing the use of previously collected Geo Decommissioning Reserve funds to fund the project. These funds are to be replenished by the Project Participants over a three-year period through the normal budgeting process.

Fiscal Impact: The total cost is anticipated not to exceed \$7,200,000. A breakdown of the project costs is shown in the table below.

Description	Cost
Unit 2 Turbine Rotor Overhaul and Generator Reset	\$4,500,000
Unit 2 GSU Transformer Overhaul	\$300,000
Transportation and Insurance	\$100,000
Additional Balance of Plant Work	\$200,000
Incidentals (scaffold, etc.)	\$400,000
Lakeville 230KV Line Repairs	\$500,000
Contingency	\$1,200,000
Total	\$7,200,000

Funding for the Unit 2 Overhaul may be accomplished in several ways. Funding options are shown in the table below.

Description	Cost
Geo Decommissioning Reserve	\$7,200,000
Other Options	
Combined Special Geo Reserve	\$1,500,000
Maintenance Reserve	\$3,589,000
Defer or Reduced Project Funding	\$1,500,000
Total	\$6,589,000

Staff is recommending that \$7,200,000 for the Geothermal Plant 1, Unit 2 Overhaul Project be spent from the Geo Decommissioning Reserve and replenished over a three-year period through the normal budget process. Staff will recommend a budget augmentation of \$7,200,000 at the January 18, 2024 regularly scheduled Commission meeting with no additional collections required in Fiscal Year 2024.

The Projected cash balance for the Decommissioning Reserve at June 30, 2024 is approximately \$1.2 million. NCPA will fund the balance of the repair costs by liquidating reserve investments as necessary when the expenditures are invoiced.

The Fiscal Year 2025 budget impact of a three-year payback period of the \$7.2 million into the reserve would be as follows:

2024 Budget	
Decommissioning Reserve Collection	\$1,578,823
Debt Service Collection	\$3,482,198
Total 2024 Decommissioning and Deb Svc	\$5,061,021
2025 Budget	
Decommissioning Reserve Collection	\$2,417,081
Year One Reserve Reimbursement	\$2,400,000
Debt Service Collection	\$ 0
Total 2025 Decommissioning and Deb Svc	\$4,817,081
Net Decrease to 2025 Budget	\$ 243,940

The Combined Special Geo Reserve balance is currently invested with a maturity date of November 7, 2025. The sale of that investment would result in a loss and is not recommended.

In December 2023, during a planned transmission line outage scheduled by Pacific Gas and Electric (PG&E), RTS was able to perform a nondestructive visual inspection on the Unit 2 turbine rotor L-0 blades. The visual inspection revealed significant wear on the L-0 blades. As with Unit 1, RTS recommends that the L-0 blades be replaced. Due to the high probability of a catastrophic failure, RTS does not recommend putting Unit 2 back into service until the blade replacement is complete. NCPA consulted with Siemens Energy USA, Inc. for a second opinion. Siemens agreed with RTS' findings that the blades must be replaced and the unit should remain offline until this work is complete. As with the Unit 1 blades, the Unit 2 blades will need to be reverse-engineered.

Plant 1, Unit 2 was scheduled for a planned outage in March 2024. Delaying work to repair the blades until the original planned outage in March poses a safety concern from the deteriorated state of the blades and will likely result in this outage extending into the critical summer months. Therefore, the recommended course of action is to seek immediate authority to initiate the outage and take advantage of the knowledge, staff, and resources working on Plant 1, Unit 1.

Chair Serventi thanked Assistant General Manager, Mike DeBortoli and his staff for all the hard work that has been done during the Plant 1, Unit 1 outage and for the work done to move the Plant 1, Unit 2 outage forward to avoid a catastrophic failure in the future.

Motion: A motion was made by Sudhanshu Jain and seconded by James “Bo” Sheppard recommending the Commission adopt Resolution 24-02 authorizing the Geothermal (Geo) Plant 1, Unit 2 Turbine Overhaul Project and delegating authority to the General Manager or his designee to award bids, execute agreements, and to issue purchase orders for the project in accordance with NCPA purchasing policies and procedures, including approval for the turbine work to be awarded on a sole-source basis, without further approval by the Commission, for a total not to exceed \$7,200,000, and authorizing the use of previously collected Geo Decommissioning Reserve funds to fund the project. These funds are to be replenished by the Project Participants over a three-year period through the normal budgeting process. The motion carried by a majority of those members present on a roll call vote as follows:

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

ADJOURNMENT

The January 5, 2024 Commission meeting was adjourned at 12:00 pm by Chair Serventi.

Respectfully submitted,

Prepared by,

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JERRY SERVENTI
Commission Chair

CARRIE POLLO
Assistant Secretary to the Commission



Special Commission Meeting
January 5, 2024
COMMISSIONERS
Attendance List

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

MEMBER	NAME
1 - ALAMEDA	Jerry Serventi
2 - BIGGS	Bo Sheppard
3 - GRIDLEY	
4 - HEALDSBURG	Dave Hagele, Terry Crowley
5 - LODI	Jeff Bertheimer
6 - LOMPOC	Jenelle Osborne
7 - PALO ALTO	Dean Batchelor
8 - PLUMAS-SIERRA REC	
9 - PORT OF OAKLAND	
10 - REDDING	Nick Zettel
11 - ROSEVILLE	Pauline Rocca
12 - SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT	
13 - SANTA CLARA	Suds Jain
14 - SHASTA LAKE	
15 - TRUCKEE DONNER	Steven Poncelet
16 - UKIAH	Cindy Sauer



**Special Commission Meeting
January 5, 2024
Attendance List**

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

NAME	AFFILIATION
Carrie Pollo	NCPA
Jane Luckhardt	NCPA
Randy S. Howard	NCPA
Jeff Berkeimer	Lodi
Stacy MATHEW	ROSEVILLE
Mike DeBortoli	NCPA
Pauline Proccucci	Roseville