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Minutes

Date: June 11, 2018
To: NCPA Facilities Committee
From: Carrie Pollo
Subject: June 6, 2018 Facilities Committee Meeting Minutes

- 1. Call meeting to order & Roll Call** - The meeting was called to order by Committee Chair Mike Brozo at 9:03 am. A sign-in sheet was passed around. Attending via teleconference and/or on-line presentation were Alan Hanger (Alameda), Mark Sorensen (Biggs), Paul Eckert (Gridley), Shiva Swaminathan (Palo Alto), and Kathleen Hughes and Steve Hance (Santa Clara). Those attending in person are listed on the attached Attendee Sign-in Sheet. Committee Representatives from BART, Healdsburg, Port of Oakland, TID, and Ukiah were absent. A quorum of the Committee was established.

PUBLIC FORUM

No public comment.

- 2. Approve minutes from the May 2, 2018 Facilities Committee meeting** – A motion was made by Mike Brozo and seconded by Jiayo Chiang recommending approval of the May 2, 2018 Facilities Committee meeting minutes. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Palo Alto, Plumas-Sierra, Roseville, and Santa Clara. The motion passed.
- 3. All Generation Services Facilities, Members, SCPPA – Performance Mechanical, Inc. MTGSA** – Staff presented background information and was seeking a recommendation for Commission approval of a Multi-Task General Services Agreement with Performance Mechanical, Inc. for T&M maintenance services, with a not to exceed amount of \$2,000,000 for use at all facilities owned and/or operated by NCPA, its Members, SCPPA, and SCPPA Members. All purchase orders issued pursuant to the agreement will be charged against approved Annual Operating Budgets. This is an enabling agreement with no commitment of funds. A draft Commission Staff Report and the draft agreement were available for review.

Motion: A motion was made by Jiayo Chiang and seconded by William Forsythe recommending Commission approval authorizing the General Manager or his designee to enter into a Multi-Task General Services Agreement with Performance Mechanical, Inc. for general T&M maintenance services, with any non-substantial changes recommended and approved by the

NCPA General Counsel, which shall not exceed \$2,000,000 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. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Palo Alto, Plumas-Sierra, Roseville, and Santa Clara. The motion passed.

4. **All Generation Services Facilities, Members, SCPPA – American Crane Rental, Inc. MTGSA** – Staff presented background information and was seeking a recommendation for Commission approval of a Multi-Task General Services Agreement with American Crane Rental, Inc. for crane services, with a not to exceed amount of \$500,000 for use at all facilities owned and/or operated by NCPA, its Members, SCPPA, and SCPPA Members. All purchase orders issued pursuant to the agreement will be charged against approved Annual Operating Budgets. This is an enabling agreement with no commitment of funds. A draft Commission Staff Report and the draft agreement were available for review.

Motion: A motion was made by William Forsythe and seconded by Jiayo Chiang recommending Commission approval authorizing the General Manager or his designee to enter into a Multi-Task General Services Agreement with American Crane Rental, Inc. for crane services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$500,000 over five years, for use at all facilities owned and/or operated by NCPA, its Members, by the Southern California Public Power Authority ("SCPPA"), or by SCPPA Members. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Palo Alto, Plumas-Sierra, Roseville, and Santa Clara. The motion passed.

5. **All Generation Services Facilities, Members, SCPPA – OST Trucks and Cranes, Inc. MTGSA** – Staff presented background information and was seeking a recommendation for Commission approval of a Multi-Task General Services Agreement with OST Trucks and Cranes, Inc. for truck and crane services, with a not to exceed amount of \$500,000 for use at all facilities owned and/or operated by NCPA, its Members, SCPPA, and SCPPA Members. All purchase orders issued pursuant to the agreement will be charged against approved Annual Operating Budgets. This is an enabling agreement with no commitment of funds. A draft Commission Staff Report and the draft agreement were available for review.

Motion: A motion was made by William Forsythe and seconded by Jiayo Chiang recommending Commission approval authorizing the General Manager or his designee to enter into a Multi-Task General Services Agreement with OST Trucks and Cranes, Inc. for trucking and crane services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$500,000 over five years, for use at all facilities owned and/or operated by NCPA, its Members, by the Southern California Public Power Authority ("SCPPA"), or by SCPPA Members. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Palo Alto, Plumas-Sierra, Roseville, and Santa Clara. The motion passed.

6. **NCPA Generation Services Plant Updates – Information Only** – NCPA Plant Staff provided the Committee informational updates on current plant activities and conditions.

CT1 Status Update – Staff reported the CT1 FY2018 Budget status was \$600,000 below budget due to high revenues. Factors affecting the routine O&M included an auxiliary transformer, extra bushing work, atomizing air, the Halon system, DC motors, gas compressor, vibration analysis, sound panels, billing disputes, and the borescope inspection, totaling approximately \$306,000.

During the outage on CT1 the borescope inspection showed several problems of blades rubbing and cracking. Ethos has been put on notice that turbine nozzles are a warranty claim. The compressor and bucket damages were the result of a plant trip. Staff's recommendation is to continue operation with increased vibration analysis, another borescope in November 2018, and potential service required next year, with an outage of approximately two months in January.

Hydro Update – Staff reported the New Spicer Reservoir is approximately 87% full, and not quite at peak elevation yet. It's currently at 165,000 acre feet with the in-flows and out-flows equal. This is great news following the February forecast for a drier than normal year, with the recreation season now starting.

The Unit 2 stator rewind outage is scheduled for this fall, starting September 4, 2018 and continuing through Christmas. This will be a complete disassembly, stripping, and rebuilding of the unit. There will be no problems running water at capacity during the outage. The project schedule is very tight to get the work completed on time. Staff is very pleased with the work of Andritz so far, and they are very focused on this project. The second unit is scheduled for a rewind in the fall of 2019. The bars/coils have already been ordered for this project.

Solar Project – Staff reported that the Solar Project is on track and going very well with deliverables by June 18, 2018. Healdsburg, Lodi, and Santa Clara are project participants with Plumas-Sierra just joining as well. Redding is close to a decision, and Lompoc is in negotiations.

- 7. Collierville Settlement Anomalies** – Staff provided an update on Collierville settlement anomalies which results in one Operating Entity (OE) incurring charges resulting from actions of the other OEs.

In the Amended and Restated Scheduling Coordination Program Agreement (SCPA), Appendix B provides the rules for allocation of CAISO charges and credits to Collierville Operating Entities (ESP) and then to each project participant. Current allocation programs implement the rules established in Appendix B. Rules of the Metered Subsystem Agreement (MSSA), along with the ability to co-optimize Collierville's energy and ancillary services, have occasionally resulted in allocation anomalies.

On March 31, 2017 an amount of uninstructed imbalance energy (UIE) was allocated to Roseville. Roseville is not part of the MSSA and therefore should not incur UIE due to real-time balance of MSSA load and resources. These occur when load balancing down results in total Collierville meter energy less than Roseville's day-ahead energy award. Misallocation of UIE to Roseville due to MSSA balancing occurrences are less than 1%. This occurrence was approximately \$10,000, but prices could be higher, so this is problematic.

Real-time balancing of loads and resources between SVP and the Pool could result in SVP or the Pool being allocated an UIE due to the other's action. Usually, over time the misallocation of UIE between SVP and the Pool tend to offset each other.

Possible solutions to misallocations are changes to the SCPA Appendix C Power Scheduling Guide, changes to the unit energy allocator, changes to MSS Load Balancing Procedures, and to consolidate the number of ESPs. Staff will update the Committee at the next meeting.

- 8. Seattle City Light Exchange Ended April 30, 2018** – Staff provided an update regarding the end of the Seattle City Light Exchange Agreement. On March 17, 2011, NCPA gave notice to

terminate the Seattle City Light Exchange Agreement. Contract settlements were over April 30, 2018, and there were no transactions in May 2018. This resource category will come off the ARB bill. NCPA will revisit this change during the Nexant Cost Allocation. Seattle City Light has expressed an interest to extend the agreement. Staff will consider negotiating alternatives.

- 9. Review Resource Adequacy Bidding Requirements** – Staff reviewed the current Resource Adequacy (RA) bidding requirements, and strategies attributed to RA claims made on NCPA jointly owned generating facilities. Rules differ for each type of RA. CCAs are very active now with RA and are currently purchasing huge volumes of it. Please contact NCPA regarding any 2019 RA transactions. Rules changed May 1, 2018 through the CAISO. Staff is informing Members, and helping with RA contracts, procurement, and contract language.

The Facilities Agreement rules were written before RA. Staff will look into updating the underlying operating procedures. Through the 3rd Phase Agreement, Members can sell their own share. Forced outages have caused challenges for this past year's tight energy market. Members may need to find replacement RA during the Collierville outage. NCPA will distribute an updated RA balance file reflecting the Collierville outage.

10. Planning and Operations Update –

- Dave Dockham attended a FERC Technical Conference on May 1, 2018 regarding the PG&E Order 890 Complaint. All of the CA IOUs were in attendance. Certain transmission investments are self-approved through PG&E, where such projects may not be justified or cost effective. FERC had lots of questions for the IOUs. The CPUC, TANC, and NCPA are focused on a new tariff requirement for transmission maintenance and planning.
- TO18 & TO19 are both delayed until mid-July, with TO20 also pushed out to October for a ruling.
- The Engineer III/IV position has been filled. Anish Nand accepted the position, and will be starting June 18. His last position was with CDWR, and is a graduate from Cal Poly focusing on transmission issues.
- AGM interviews for the Power Management position are scheduled for June 7 & 8.
- East Bay Community Energy services started June 1. All is going well. Things are also on schedule for San Jose Clean Energy services to start September 1.
- Dispatchers and Schedulers attended the Restoration and System Operators training in San Ramon during April and May to maintain their 200 hour NERC Certification. They've also been doing site visits to PCWA, MEID, and Santa Clara facilities.
- San Luis Obispo has requested qualifications for our services starting in late 2019 or 2020. Los Angeles County has also asked for a statement of qualifications.
- The CA CCAs are developing joint relationships with long term transactions and procurement.
- Chair Mike Brozo thanked AGM, Dave Dockham, for his years of service at NCPA, and his outstanding leadership during his tenure. Dave's last day will be June 29.

- 11. Schedule next meeting date** – The next regular Facilities Committee meeting is scheduled for July 5, 2018.

ADJOURNMENT

The meeting was adjourned at 11:10 am by the Committee Chair.