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Minutes

Date: January 21, 2021
To: NCPA Facilities Committee
From: Carrie Pollo
Subject: January 6, 2021 Facilities Committee Meeting Minutes

- 1. Call Meeting to Order & Roll Call** – The meeting was called to order by Committee Chair Basil Wong, Santa Clara, at 9:02 am. A sign-in sheet was passed around. Attending via teleconference and/or on-line presentation were Alan Harbottle, and Vidhi Chawla (Alameda), Mark Sorensen (Biggs), Paul Eckert (Gridley), Jiayo Chiang (Lodi), Shiva Swaminathan (Palo Alto), Mike Brozo (Plumas-Sierra), Nick Rossow (Redding), Brian Schinstock (Roseville), and Steve Hance (Santa Clara). Owen Goldstrom (non-voting Member with TID) also attended via teleconference. Those attending in person are listed on the attached Attendee Sign-in Sheet. Committee Representatives from BART, Healdsburg, Lompoc, Port of Oakland, TID, and Ukiah were absent. A quorum of the Committee was established.

PUBLIC FORUM

No public comment.

OPEN SESSION

DISCUSSION / ACTION ITEMS

- 2. Approval of Minutes from the December 2, 2020 Facilities Committee meeting.**

Motion: A motion was made by Brian Schinstock and seconded by Jiayo Chiang recommending approval of the December 2, 2020 Facilities Committee meeting minutes. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Palo Alto, Plumas-Sierra, Redding, Roseville, and Santa Clara. The motion passed.

- 3. All NCPA Facilities – Pacific Star Chemical, LLC dba Northstar Chemical, Inc. MTEMS** – Staff presented background information and was seeking a recommendation for Commission approval of a five-year Multi-Task Agreement for Purchase of Equipment, Materials, and Supplies with Pacific Star Chemical, LLC dba Northstar Chemical, Inc. for the purchase of miscellaneous chemicals, with a not to exceed amount of \$2,500,000, for use at all facilities owned and/or operated by NCPA. All purchase orders will be issued following NCPA procurement policies and procedures.

NCPA had a previous agreement in place with Pacific Star Chemical LLC dba Northstar Chemical, which is expiring. NCPA has utilized this vendor in the past, and has a good working relationship with the vendor. This is an enabling agreement with no commitment of funds. NCPA desires to enter into this agreement so established terms and conditions are in place should this vendor be the successful bidder on future projects. Other agreements in place for similar purchases include Apex Engineering Products, Brenntag Pacific, Hill Brothers, Thatcher Chemical and Univar USA, Inc. It is recommended that this item be placed on the Commission Consent calendar.

Motion: A motion was made by Mike Brozo and seconded by Brian Schinstock recommending Commission approval authorizing the General Manager or his designee to enter into a Multi-Task Agreement for Purchase of Equipment, Materials and Supplies with Pacific Star Chemical, LLC dba Northstar Chemical for chemical purchases, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$2,500,000 over five years, for use at all facilities owned and/or operated by NCPA. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Palo Alto, Plumas-Sierra, Redding, Roseville, and Santa Clara. ABSTAIN = Port of Oakland. The motion passed.

4. **All NCPA Facilities – Basic Energy Services, LP MTGSA** – Staff presented background information and was seeking a recommendation for Commission approval of a five-year Multi-Task General Services Agreement with Basic Energy Services, LP for well maintenance services, with a not to exceed amount of \$1,000,000, for use at all facilities owned and/or operated by NCPA. All purchase orders will be issued following NCPA procurement policies and procedures.

This is a new vendor in which NCPA has not utilized in the past. Because of the nature of well drilling work, NCPA has had difficulty obtaining contracts with multiple vendors. This is an enabling agreement with no commitment of funds. NCPA desires to enter into this agreement so established terms and conditions are in place should this vendor be the successful bidder on future projects. Other agreements in place for similar services include Halliburton Energy Services, Inc., and C&J Well Services, Inc. (pending). However, Halliburton's DIR registration had lapsed, and they were not eligible to work at the time the services were bid. Numerous other vendors have refused to negotiate NCPA terms and conditions. It is recommended that this item be placed on the Commission Consent calendar.

Motion: A motion was made by Mike Brozo 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 Basic Energy Services LP for injection well related services, 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. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Palo Alto, Plumas-Sierra, Redding, Roseville, and Santa Clara. The motion passed.

5. **All NCPA Facilities – C&J Well Services, Inc. MTGSA** – Staff provided background information and was seeking a recommendation for Commission approval of a five-year Multi-Task General Services Agreement with C&J Well Services, Inc. for well maintenance services, with a not to exceed amount of \$1,000,000, for use at all facilities owned and/or operated by NCPA. All purchase orders will be issued following NCPA procurement policies and procedures.

This is a new vendor in which NCPA has not utilized in the past. Because of the nature of well drilling work, NCPA has had difficulty obtaining contracts with multiple vendors. This is an enabling agreement with no commitment of funds. NCPA desires to enter into this agreement so established terms and conditions are in place should this vendor be the successful bidder on future projects. Other agreements in place for similar services include Halliburton Energy Services, Inc., and Basic

Energy Services, LP (pending). However, Halliburton's DIR registration had lapsed, and they were not eligible to work at the time the services were bid. Numerous other vendors have refused to negotiate NCPA terms and conditions. It is recommended that this item be placed on the Commission Consent calendar.

Motion: A motion was made by Brian Schinstock 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 C&J Well Services, Inc. for injection well related services, 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. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Palo Alto, Plumas-Sierra, Redding, Roseville, and Santa Clara. The motion passed.

- 6. All NCPA Facilities – Petro-Analytical Inc. MTGSA –** Staff presented background information and was seeking a recommendation for Commission approval of a five-year Multi-Task General Services Agreement with Petro-Analytical, Inc. for routine, recurring, and miscellaneous fuel tank storage maintenance services, with a not to exceed amount of \$1,000,000, for use at all facilities owned and/or operated by NCPA. All purchase orders will be issued following NCPA procurement policies and procedures.

This is a new agreement with an existing vendor. It is an enabling agreement with no commitment of funds. NCPA has utilized this vendor in the past, and has a good working relationship with the vendor. NCPA desires to enter into a multi-task enabling agreement with Petro-Analytical, Inc., so established terms and conditions are in place should this vendor be the successful bidder on future projects. NCPA currently one other agreement in place for similar services with Stroupe Petroleum Maintenance, Inc. It is recommended that this item be placed on the Commission Consent calendar.

Motion: A motion was made by Jiayo Chiang and seconded by Paul Eckert recommending Commission approval authorizing the General Manager or his designee to enter into a Five Year Multi-Task General Services Agreement with Petro-Analytical, Inc. for general fuel tank storage maintenance services, including UST system leak detection, monthly designated operator services, tank, piping, apparatus system, etc., with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$1,000,000 for use at the all facilities owned and/or operated by NCPA. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Palo Alto, Plumas-Sierra, Redding, Roseville, and Santa Clara. The motion passed.

- 7. NCPA Geothermal Facility – 2021 Amendment to the Second Amendment and Restatement of the Steam Suppliers Joint Operating Agreement Southeast Geysers Effluent Pipeline Project (SEGEP) –** Staff presented background information and was seeking a recommendation for Commission approval of the 2021 Amendment to the Second Amendment and Restatement of the Steam Suppliers Joint Operating Agreement Southeast Geysers Effluent Pipeline Project (SEGEP) with Calpine Corporation, updating the Cost Responsibility calculation used and extending the agreement expiration date for an additional two years.

The Southeast Geysers Effluent Pipeline (SEGEP) Project is a cooperative project between Lake County Sanitation District, Calpine, and NCPA that has been in operation since September 23, 1997. The project provides wastewater to The Geysers for the purposes of maintaining the reservoir pressure and increasing steam reserves of the geothermal field. Calpine and NCPA share in the operating and maintenance costs for SEGEP, as detailed in the Steam Suppliers Joint Operating Agreement (JOA). Per the JOA, Electrical power to operate the pumps stations can be supplied by either Calpine or NCPA. The value of the electrical power is based on the Local Market

Price. Calpine and NCPA either pays or reimburses the other entity for their share of electrical power. The payment or reimbursement is based on the volume of water each receive during a calendar year.

In addition, both Calpine and NCPA receive Bucket 0 Renewable Energy Credits (REC's) for the electrical power supplied to the effluent pipeline. Calpine as a private corporation is allowed to convert the Bucket 0 REC's into Bucket 3 REC's that are typically valued at \$0.50 to \$1.00 per MWh. Members of NCPA, as a Public Agency, are allowed to convert the Bucket 0 REC's into Bucket 1 REC's that are typically valued around \$15 per MWh. A Fourth Amendment to the Steam Suppliers Joint Operating Agreement SEGEP Project was signed on March 2, 2018, which required NCPA to provide the entire power supply for the Bear Canyon Pump Stations except in outage situations. This allowed Calpine to sell power normally reserved for SEGEP on the Day Ahead market and receive higher valued Bucket 1 REC's. In return, Calpine compensated NCPA for its relative share of the electricity costs at the Local Market Price and further paid NCPA one half the value of a Bucket 1 REC or \$7.50 per MWh for all electricity supplied to SEGEP. This 2021 Amendment extends the term of the underlying agreement through March 1, 2022, and also clarifies the term "Electricity Percentage" for purposes of calculating the value of Bucket 1 REC's that Calpine will owe NCPA each month. It is recommended that this item be placed on the Commission Consent calendar.

Motion: A motion was made by Brian Schinstock and seconded by Mike Brozo recommending Commission approval delegating authority to the NCPA General Manager or his designee to enter into a 2021 Amendment to the Second Amendment and Restatement of the Steam Suppliers Joint Operating Agreement Southeast Geysers Effluent Pipeline Project (SEGEP) between NCPA and Geysers Power Company, LLC, with any non-substantial changes recommended and approved by NCPA General Counsel, for use at NCPA's Geothermal facility. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Palo Alto, Plumas-Sierra, Redding, Roseville, and Santa Clara. The motion passed.

- 8. All NCPA Facilities, Members, SCPPA – GreatBlue Research MTCSA –** Staff presented background information and was seeking a recommendation for Commission approval of a five-year Multi-Task Consulting Services Agreement with GreatBlue Research for market research and surveys, with a not to exceed amount of \$250,000 for use at all facilities owned and/or operated by NCPA, NCPA Members, SCPPA, and SCPPA Members. All purchase orders will be issued following NCPA procurement policies and procedures.

This is a new agreement with a new vendor. It is an enabling agreement with no commitment of funds. GreatBlue Research is a Hometown Connections partner providing innovative solutions in a cost-effective manner to meet the unique needs of community-owned utilities. GreatBlue Research is a full-service market research firm using quantitative and qualitative research methodologies and offer studies on customer perception and satisfaction, employee satisfaction, product awareness and interest, market visibility, needs assessment, and marketing effectiveness. Utilities receive statistically reliable data with thoughtful, concise insights, and detailed recommendations. GreatBlue Research is considered a leader in tracking customer opinion data across the public power sector, able to show individual utilities how they compare to peer organizations nationwide. Other agreements in place for similar services include RKS Market Research, TMG Utility Advisory Services, and Hometown Connections. It is recommended that this item be placed on the Commission Consent calendar.

Motion: A motion was made by Jiayo Chiang and seconded by Basil Wong recommending Commission approval authorizing the General Manager or his designee to enter into a Five-Year Multi-Task Consulting Services Agreement with GreatBlue Research for market research and

surveys, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$250,000 over five years, for use at any facilities owned and/or operated by NCPA, its Members, the Southern California Public Power Authority (SCPPA), or SCPPA Members. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Palo Alto, Plumas-Sierra, Redding, Roseville, and Santa Clara. The motion passed.

- 9. All NCPA Facilities, Members, SCPPA – RFI Communication & Security Systems MTGSA –** Staff presented background information and was seeking a recommendation for Commission approval of a five-year Multi-Task General Services Agreement with RFI Communication & Security Systems for integrated security services, with a not to exceed amount of \$500,000 for use at all facilities owned and/or operated by NCPA, NCPA Members, SCPPA, and SCPPA Members. All purchase orders will be issued following NCPA procurement policies and procedures.

This is an existing vendor, but the current agreement with RFI Communications has reached the not-to-exceed limit of the contract (expiration was March 2023). It is an enabling agreement with no commitment of funds. In September 2020, staff issued a RFP soliciting proposals from integrated security solution providers to perform all manner of security services, including but not limited to intrusion, door access, CCTV systems, 24/7 monitoring, design and engineering. Proposals were sent to six qualified firms. RFI Communications was determined as the recommended vendor due to past performance. NCPA has a good working relationship with this vendor. NCPA desires to enter into a five-year, multi-task agreement with RFI Communications & Security Systems providing ongoing comprehensive maintenance at each NCPA property and facility. These activities are intended to provide a safe, and secure environment for NCPA employees and properties. It is recommended that this item be placed on the Commission Consent calendar.

Motion: A motion was made by Brian Schinstock and seconded by Jiayo Chiang recommending Commission approval authorizing the General Manager or his designee to enter into a Five-Year Multi-Task General Services Agreement with RFI Enterprises Inc., dba RFI Communications & Security Systems for integrated security 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 any facilities owned and/or operated by NCPA, its Members, the Southern California Public Power Authority (SCPPA), or SCPPA Members. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Palo Alto, Plumas-Sierra, Redding, Roseville, and Santa Clara. The motion passed.

- 10. Resolution Commending Brian Schinstock –** Adopt a resolution by all Facilities Committee Members commending the service of Brian Schinstock, acting in the role of Facilities Committee Chair during Calendar Year 2020.

Motion: A motion was made by Mike Brozo and seconded by Basil Wong recommending Facilities Committee approval of the Resolution commending Brian Schinstock and the 2020 Facilities Committee Chair. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Palo Alto, Plumas-Sierra, Redding, and Santa Clara. ABSTAIN = Brian Schinstock. The motion passed.

INFORMATIONAL ITEMS

- 11. Nexant Cost Allocation Model Billing Determinants for FY 2022 –** Staff presented and reviewed preliminary results of the Nexant Cost Allocation Model for Fiscal Year 2022. The Nexant Model is the Commission-approved methodology used to allocate Power Management and certain Administrative Services budget costs to Members and participants. Staff identified and reviewed the source of changes to Members' respective costs from the change in underlying calendar year 2020 operating data used as allocators in the model. The final version of the Nexant Cost

Allocation Model and associated underlying operational data are scheduled to be finalized by January 18, 2021, and published to NCPA Connect for Member review and feedback.

The initial allocated results for FY 2022 indicate the biggest increases to Gridley, Plumas-Sierra, and Lompoc, by approximately 32.08%, 29.21%, and 25.04% respectively, with the updated CY 2020 determinants. Members with the biggest decreases include Port of Oakland, and BART at 20.21% and 11.44% respectively. Staff reviewed the underlying operational data, and provided an analysis regarding the cost drivers that resulted in the relative percentage changes in the allocations to Members.

The final proposed modifications for the FY 2022 Nexant Cost Allocation Model determinants results will be presented at the next Facilities Committee meeting February 3, 2021. Staff will seek a recommendation for Commission approval at that time.

12. New Business Opportunities – Staff provided an update regarding new business opportunities.

South Sutter Water District (Camp Far West) – NCPA submitted a proposal which was accepted. Staff is currently developing a draft PPA.

Eldorado Irrigation District (P184 Powerhouse) – Five NCPA Members are interested in this project. Staff is working to develop and indicative offer.

SFWPA (South Feather Hydroelectric) – A PPA has been developed which is being reviewed by SFWPA. The Legal Committee will be reviewing the PPA tomorrow, January 7, 2021. Development of a Third Phase Agreement should be completed in the next week or two. Member subscriptions will follow after that. Staff will bring this item back to the Committee for review and final approval once completed.

Glover Solar – A draft PPA has been sent, and is currently being reviewed by Glover Solar. Staff will bring this item back to the Committee for final review and approval before moving forward.

NCPA Renewables RFP – Palo Alto is interested in the Northwest Wind Project. An additional proposal has been received. Staff will provide the information soon.

13. NCPA Generation Services Plant Updates – Plant Staff provided the Committee with an informational update on current plant activities and conditions.

Hydro – December was a very busy month with several FERC regulatory filings including the Revised Owner’s Dam Safety Program, Upper Utica Dam Safety Surveillance Monitoring Report, Upper Utica Revised Dam Safety Surveillance Monitoring Plans, Emergency Action Plan updates and annual filing, Security Plan update and annual filing, and an update of the USGA Water Year Records. New Spicer Meadows Reservoir ended the year with 70,977 acre-feet with water levels still decreasing due to a dry water year so far. Precipitation has only been half of average so far this year, with the snow level at 56%. This year is being compared to the water years of 1976-1977, and 2014-2015, which were extremely dry years. Developing trends include more regulations, more staff time, and more money for dam safety requirements. As well, watershed scale forest management is now gaining momentum. Multiple regulatory agencies are doing deep dives into very technical areas and asking a lot of questions. Regulatory oversight fees for DSOD and FERC continue to escalate. The NCPA Hydro Plant Engineer is spending considerably more time on dam safety and regulatory compliance. The watershed scale forest management includes multi-agency partnerships, with joint action initiatives. Agencies include CalFire, USFS, NGOs, Foothill Counties, Water Districts, and Hydro Projects. Goals for this include storing carbon,

decreasing wildfire risk, increasing water yield, and decreasing post-wildfire erosion. North Fork Stanislaus Watershed interested parties include Calaveras County Water District, Calaveras County, CHPs, USFS, and others.

CTs – December operations included 28 actual starts for CT1, of 13 forecasted, plus an additional 2 ghost starts, bringing the FYTD total to 186. CT2 had 3 actual starts of 4 forecasted, bringing the FYTD total to 80. There were no forced or planned outages. A BAAQMD inspector identified the diesel starters in Alameda are not on a permit. These permits will limit hours to approximately 20 hours each, which is approximately 100 starts. Options for this include accepting the results, test and use test data to increase the starts, or install electric starters. During a quarterly CT2 predictive maintenance to inspect the magnetic plug metal particles were discovered. No other indications were present. Next actions include inspecting the plug more frequently, additional vibration monitor, evaluate service options that are available, and an evaluation of the particles.

Geo – There were no safety recordables in the month of December. CalFire declared the official end to the fire season on December 28, 2020. Damage was done to the solar panels at the Bear Canyon Zero site. This is currently under investigation, and could have been a hunting accident. The average net generation for December was 93.3 MW. The CY 2020 net generation total was 739.1 GWh, which exceeded the goal of 726.6 GWh by 1.7%. The Geo Plant 1 Fire Protection System Modernization Project is underway with bi-weekly project meetings and deliveries starting in December. ORR Protection Systems, Inc. is under contract and Coffman Engineers has been hired at the engineer. Bi-weekly meetings have been started with CEC staff, establishing relationships with the CEC CBO for design reviews. The SiteLogIQ agreement is being processed for signatures to start the Geo Plant 1 HVAC Renovation Project. The upcoming PG&E Geysers #9 Lakeville transmission line outage will be March 1 – May 7, 2021. PG&E needs to make repairs to the damage caused by the Glass Fire. This will require a one-week Geo outage from March 1 – March 7, 2021, on Plant 1 for PG&E to install a shoe-fly “jumper” to support Geo generation for duration of the outage. The plan is to jumper from Geysers #9 Lakeville 230 kV line to Geysers #17 Fulton 230 kV Line. The SEGEP line is currently down due to a pipeline leak, which started December 15, 2020 until further notice.

14. Planning and Operations Update –

- NCPA Renewables RFP – Staff is seeking member feedback regarding interest in projects. Review of additional proposals underway
- COVID-19 Update – Operations continue in dual mode of NCPA dispatch and scheduling functions. Ongoing efforts to protect the health and safety of all staff continue.
- SCP Integration Activities – Integration of SCP services was completed successfully January 1, 2021.
- New Resource Integration – Altamont Wind (EBCE), Central 40 (SVP), Golden Hills (EBCE)
- Key Focus on Resource Adequacy Policy – CAISO RA Enhancements and CPUC Central Procurement.
- Insurance Renewal for 2020-2021 – The final total amount for insurance premiums is \$4,755,454. These premiums will exceed the FY 2021 budget. Staff believes NCPA should be able to absorb increases offset by savings in other areas similar to last year, and is not recommending a budget augmentation, but will continue to monitor.

15. Next Meeting – The next regular Facilities Committee meeting is scheduled for February 3, 2021.

ADJOURNMENT

The meeting was adjourned at 11:55 am by the Committee Chair.

Teleconference call only due to Covid19

Northern California Power Agency January 6, 2021 Facilities Committee Meeting Attendance List

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

<u>MEMBER</u>	<u>NAME</u>
ALAMEDA	✓
BART	
BIGGS	✓
GRIDLEY	✓
HEALDSBURG	
LODI	✓
LOMPOC	
PALO ALTO	✓
PLUMAS-SIERRA REC	✓
PORT OF OAKLAND	
REDDING	✓
ROSEVILLE	✓
SANTA CLARA	✓
TID	✓ (non voting)
UKIAH	

**Northern California Power Agency
January 6, 2021 Facilities Committee Meeting
Attendance List**

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

<u>NAME</u>	<u>AFFILIATION</u>
Carnie Pollo	NCPA
Jane Luckhardt	NCPA
Bob Caracristi	NCPA
Joel Hedema	NCPA