



12745 N. Thornton Road  
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## Agenda

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**Date:** January 7, 2015

**Subject:** January 12, 2015 Lodi Energy Center Project Participant Committee Meeting

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**Location:** 12745 N. Thornton Road, Lodi, CA or via teleconference

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**Time:** 10:00 A.M.

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**\*\*\* In compliance with the Brown Act, you may participate in person at the meeting location or via teleconference at one of the locations listed below. In either case, please: (1) post this notice at a publicly accessible location at the participation location at least 72-hours before the call begins, and (2) have a speaker phone available for any member of the public who may wish to attend at your location.**

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NCPA 12745 N. Thornton Road Lodi, CA	NCPA 651 Commerce Drive Roseville, CA	CITY OF HEALDSBURG 401 Grove Street Healdsburg, CA
BAY AREA RAPID TRANSIT 300 Lakeside Drive, 16th Floor Oakland, CA	CITY OF GRIDLEY 685 Kentucky Street Gridley, CA	CITY OF LOMPOC 100 Civic Center Plaza Lompoc, CA
CITY OF BIGGS 465 "C" Street Biggs, CA	PLUMAS-SIERRA RURAL ELECTRIC COOP 73233 Highway 70 Portola, CA	CITY OF UKIAH 411 W Clay Street Ukiah, CA
CALIFORNIA DEPARTMENT OF WATER RESOURCES 3310 El Camino Ave. Room LL93 Sacramento, CA	CITY OF SANTA CLARA 1500 Warburton Avenue Santa Clara, CA	POWER & WATER RESOURCES POOLING AUTHORITY 2106 Homewood Way, No. 100 Carmichael, CA 95608

*The Lodi Energy Center Project Participant Committee may take action on any of the items listed on this Agenda regardless of whether the matter appears on the Consent Calendar or is described as an action item, a report, or an information item. If this Agenda is supplemented by staff reports, they are available to the public upon written request. Pursuant to California Government Code Section 54957.5, the following is the location at which the public can view Agendas and other public writings: NCPA, 651 Commerce Drive, Roseville, CA or [www.ncpa.com](http://www.ncpa.com)*

*Persons requiring accommodations in accordance with the Americans with Disabilities Act in order to attend or participant in this meeting are requested to contact the NCPA Secretary at 916.781.3636 in advance of the meeting to arrange for such accommodations.*

## **1. Call Meeting to Order and Roll Call**

### **PUBLIC FORUM**

Any member of the public who desires to address the Lodi Energy Center Project Participant Committee on any item considered by the Lodi Energy Center Project Participant Committee at this meeting before or during the Lodi Energy Center Project Participant Committee's PPC consideration of that item shall so advise the Chair and shall thereupon be given an opportunity to do so. Any member of the public who desires to address the Lodi Energy Center Project Participant Committee on any item within the jurisdiction of the Lodi Energy Center Project Participant Committee and not listed on the Agenda may do so at this time.

## **2. Meeting Minutes - Approval of the following PPC meeting minutes:**

- December 8, 2014 regular meeting

### **MONTHLY REPORTS**

## **3. Operational Report for December 2014 - (*Jeremy Lawson*)**

## **4. Market Data Report for December 2014 – Verbal Report (*Bob Caracristi*)**

## **5. Update regarding Results of Change in Strategies for CAISO Integrated Forward Market – Staff to discuss the results from reducing the Minimum Load Costs component of the LEC DA Market bids (Ken Goeke)**

## **6. Monthly Asset Report – (*Michael DeBortoli*)**

### **CONSENT CALENDAR**

All items on the Consent Calendar are considered routine and will be approved without discussion by a single roll call vote. Any Project Participant or member of the public may remove any item from the Consent Calendar. If an item is removed, it will be discussed separately following approval of the remainder of the Consent Calendar. Prior to the roll call vote to approve the Consent Calendar, the Participants will be polled to determine if any Participant wishes to abstain from one or more items on the Consent Calendar.

## **7. Treasurer's Report for December - Accept by all Participants**

## **8. Financial Report for December - Approve by all Participants**

## **9. GHG Reports (excerpted from monthly ARB) - Accept by all Participants**

## **10. Farwest Insulation Contracting – Staff seeking approval of a five year Multi-Task General Services Agreement with Farwest Insulation Contracting in an amount not to exceed \$500,000 for insulation services as needed at any of its Generation Services facilities. All purchase orders issued pursuant to this agreement will be charged against existing and future approved Annual Operating budgets.**

## **11. Hill Brothers Chemical Company – Staff seeking approval of a five year Multi-Task Agreement for Purchase of Equipment, Materials and Supplies with Hill Brothers Chemical Company in an amount not to exceed \$800,000 for the purchase of chemicals for use at the LEC and CT2 facilities. All purchase orders issued pursuant to this agreement will be charged against existing and future approved Annual Operating budgets.**

- 12. Process Innovations, Inc.** – Staff seeking approval of a five year Multi-Task Consulting Services Agreement with Process Innovations, Inc. in an amount not to exceed \$260,000 to be used on an as-needed basis for OSIsoft PI software maintenance services at any of its Generation Services facilities. All purchase orders issued pursuant to this agreement will be charged against existing and future approved Annual Operating budgets.
- 13. LEC PMOA Schedule 1, Exhibit 5** – CAISO Charges – Staff seeking approval of revised Exhibit 5 to Schedule 1.00 for revised 2015 CAISO Grid Management Charge (GMC) rates related to the Market Services Charge.

Consent Items pulled for discussion: \_\_\_\_\_

### **BUSINESS ACTION ITEMS**

- 14. FY 2014 Annual Billing Settlements** – Staff seeking approval of the FY14 Annual Billing Settlement for the period July 1, 2013 through June 30, 2014. (*Donna Stevener and Mike DeBortoli*)

### **INFORMATIONAL ITEMS**

- 15. Power Supply Budget Assumptions & Preliminary Results** – Staff to discuss the basic assumptions on which the PLEXOS model is currently based, and provide LEC results when certain key variables are changed. (*Jan Bonatto*)

### **16. Other New Business**

### **ADJOURNMENT**

Next Regular Meeting: February 9, 2015

**Lodi Energy Center  
Project Participant Committee Meeting  
December 8, 2014 - MEETING MINUTES**

Location: Lodi Energy Center  
12745 N. Thornton Rd, Lodi CA 95242  
and by teleconference  
10:00 A.M.

**1. Call Meeting to Order and Roll Call**

The PPC meeting was called to order at 10:03 a.m. by Vice Chairman George Morrow who participated in the meeting by telephone as a member of the public, not a Participant since the agenda was not posted at the Azusa meeting location. George's chairmanship of the meeting in this capacity was approved by Ruthann Ziegler of Meyers Nave. Chairman Morrow asked that roll of the Project Participants be called as listed below.

<b>PPC Meeting Attendance Summary</b>		
<b>Participant</b>	<b>Attendance</b>	<b>Particulars / GES</b>
Azusa - Morrow	Absent	2.7857%
BART - Lloyd	Present	6.6000%
Biggs - Sorenson	Present	0.2679%
CDWR - Forsythe	Present	33.5000%
Gridley - Stiles	Present	1.9643%
Healdsburg - Crowley	Absent	1.6428%
Lodi - Cadek	Present	9.5000%
Lompoc - Hostler	Absent	2.0357%
MID - Caballero	Present	10.7143%
Plumas-Sierra - Brozo	Absent	0.7857%
PWRPA - Palmerton	Present	2.6679%
SVP - Hance	Present	25.7500%
Ukiah - Grandi	Absent	1.7857%
<b>Summary</b>		
Present	8	90.9644%
Absent	5	9.0356%
Quorum by #:	Yes	
Quorum by GES:	Yes	
Meeting Date:	12/8/2014	

**Public Forum**

Vice Chairman Morrow asked if any members of the public were present in Lodi or at any of the other noticed meeting locations that would like to address the PPC on any agenda items. No members of the public were present.

**2. Meeting Minutes**

The draft minutes of the regular meeting held on November 3, 2014 and the special meeting held on November 20, 2014 were considered. The LEC PPC considered the following motion:

**Date:** 12/8/2014

**Motion:** The PPC approves the minutes of the November 3, 2014 regular meeting and November 20, 2014 special meeting, including any edits discussed at today's meeting.

**Moved by:** Lodi

**Seconded by:** Gridley

**Discussion:** There was no further discussion.

Vote Summary on Motion		
Participant	Vote	Particulars / GES
Azusa	Absent	2.7857%
BART	Yes	6.6000%
Biggs	Yes	0.2679%
CDWR	Yes	33.5000%
Gridley	Yes	1.9643%
Healdsburg	Absent	1.6428%
Lodi	Yes	9.5000%
Lompoc	Yes	2.0357%
Modesto	Yes	10.7143%
Plumas-Sierra	Absent	0.7857%
PWRPA	Yes	2.6679%
Silicon Valley Power	Yes	25.7500%
Ukiah	Absent	1.7857%
<b>Vote Summary</b>		
Total Ayes	9	93.0001%
Total Noes	0	0.0000%
Total Abstain	0	0.0000%
Total Absent	4	6.9999%
Result:		Motion passed.

## **MONTHLY REPORTS**

### **3. Operational Reports for November 2014**

Jeremy Lawson presented the Operational Report for November. He noted that a correction was needed to the written report sent. There was one OSHA Recordable incident which occurred in November when an employee suffered a strain to neck and shoulders while offloading boxes. The employee was placed on modified duty; no time was lost. There were no Permit violations and no NERC/WECC violations.

The plant completed its planned outage on November 16 during which time the Steam Turbine High Pressure Control Valve issue was resolved. Staff is very pleased with the outcome and the

control valve is operating well. Mike DeBortoli said, "We got it"; when the control valve was pulled during repair, the problem was very apparent. During the planned outage the RAC was replaced with correct Inconel tubing material to mitigate chloride corrosion stress cracking and the Combustion Turbine underwent the Combustion Inspection (CI) as called for by the Siemens long term maintenance agreement. Once back in operation, the plant experienced two brief outages on November 22 which were attributable to operator error. The first was a low level trip on the IP drum during startup which caused a two hour delay. The second was a low level trip on the LP drum during shutdown. Staff consulted with Siemens and made a tuning change to correct the issues.

Jeremy's oral report reflected monthly production of 51,632 MWH, 212 service hours, and equivalent operating availability of 40.08%. The report set forth the Capacity Factor @ 280MW Pmax of 25.57% and @ 302MW Pmax of 23.71%. During the month the plant had nine hot starts, one warm start, and one cold start.

Bill Forsythe asked if the cause of the control valve issue is known. Mike DeBortoli brought in the valve seat to show the wear and issues. He said it was not originally installed correctly by Siemens. There was a gap between the seat and valve body which caused the pins to deform and bend. They continued to loosen from friction heat which caused the gap to increase. The new valve seat was re-drilled for larger pins. Now that this issue is solved, the plant is back to its normal start-up procedure.

#### **4. Market Data Report for November 2014**

Bob Caracristi discussed the operating and financial settlement results for the month.

#### **5. Monthly Asset Report**

Mike DeBortoli presented the monthly asset report/budget review for October. He clarified that the timing of payments made for September and October reflected in the administration costs shows that two lease payments were captured in September, increasing that month's numbers and decreasing the numbers for October. The remaining numbers are on track with the budget.

#### **Consent Calendar**

The consent calendar was considered. Vice Chairman Morrow asked if any Participant wished to remove any item listed on the Consent Calendar for separate discussion. Hearing none, he then asked if any Participant wished to abstain from one or more items on the Consent Calendar. There were no abstentions. The LEC PPC considered the following motion:

**Date:** 12/8/2014

**Motion:** The PPC approves the Consent Calendar consisting of: agenda items no. 6. Treasurer's Report for October; 7. Financial Report for October; 8. Treasurer's Report for November; 9. Financial Report for November; and 10. GHG Reports for November.

**Moved by:**

**BART**

**Seconded by:**

**Lodi**

Discussion: There was no further discussion.

Vote Summary on Motion		
Participant	Vote	Particulars / GES
Azusa	Absent	2.7857%
BART	Yes	6.6000%
Biggs	Yes	0.2679%
CDWR	Yes	33.5000%
Gridley	Yes	1.9643%
Healdsburg	Absent	1.6428%
Lodi	Yes	9.5000%
Lompoc	Yes	2.0357%
Modesto	Yes	10.7143%
Plumas-Sierra	Yes	0.7857%
PWRPA	Yes	2.6679%
Silicon Valley Power	Yes	25.7500%
Ukiah	Absent	1.7857%
<b>Vote Summary</b>		
Total Ayes	10	93.7858%
Total Noes	0	0.0000%
Total Abstain	0	0.0000%
Total Absent	3	6.2142%
Result:	Motion passed.	

## **BUSINESS ACTION ITEMS**

### **11. Adjustment of Bidding Strategies for CAISO Integrated Forward Market**

In addition to the staff report, Don Imamura and Tom Lee presented a PowerPoint presentation in response to Participants' requests to evaluate bidding options to reduce LEC daily cycling and improve plant economy. The issues addressed include the fact that the CAISO's day-ahead market lacks multi-day look-ahead capability, the LEC shuts down even when net cost of bridging operations from one day to the next through low-demand hours is less than the net startup cost, and recognizing that self-scheduling of LEC is risky due to the volatility of market prices and loss of bid cost recovery. The committee evaluated various bidding options, discussed examples and a proposed strategy, and considered potential economics associated with the options. After discussion, George Morrow commented that he thinks it is great the Committee is looking to reduce the number of startups and associated maintenance costs while working within the constraints of the CAISO markets to optimize the plant's operations. The PPC considered the following motion.

**Date:** 12/8/2014

**Motion:** The PPC approves reducing the Minimum Load Cost Bid of the LEC Plant to optimize its value in the CAISO Integrated Forward Market, as discussed at

today's meeting. Staff will report back to the PPC the results of this bidding strategy.

**Moved by:**

**SVP**

**Seconded by:**

**Lompoc**

Discussion: There was further discussion. A vote was taken to affirm the provisions of the PMOA.

<b>Vote Summary on Motion</b>		
<b>Participant</b>	<b>Vote</b>	<b>Particulars / GES</b>
Azusa	Absent	2.7857%
BART	Yes	6.6000%
Biggs	Yes	0.2679%
CDWR	Yes	33.5000%
Gridley	Yes	1.9643%
Healdsburg	Absent	1.6428%
Lodi	Yes	9.5000%
Lompoc	Yes	2.0357%
Modesto	Yes	10.7143%
Plumas-Sierra	Yes	0.7857%
PWRPA	Yes	2.6679%
Silicon Valley Power	Yes	25.7500%
Ukiah	Absent	1.7857%
<b>Vote Summary</b>		
Total Ayes	10	93.7858%
Total Noes	0	0.0000%
Total Abstain	0	0.0000%
Total Absent	3	6.2142%
Result: Motion passed.		

## **INFORMATIONAL ITEMS**

### **12. CAISO Transmission Line Project**

Mike DeBortoli provided an update about the project after having met with CAISO. He said in light of the CAISO's Phase II analysis of the Lodi/8-Mile transmission line which determined a new summer rating to be 754 MW, the increase in the size of the line dramatically affects the switchyard. The CAISO is satisfied that the plant's equipment is large enough to accommodate the 604 MW rating for LEC's switchyard line so that will be the line limit despite the 754 MW limit of the line. Phase II of the upgrade process continues to move forward and it is expected that in March or April the interconnection with PG&E will be reviewed. It appears the project timeline has been accelerated by a year to 2016.

### **13. FY14 Annual Billing Settlements**



Donna Stevener presented a staff report and draft settlements for each Participant for the period July 1, 2013 through June 30, 2014. She said the final settlement will be presented to the Committee for approval at the January regular meeting and asked that the Participants let her know if they have any questions.

**14. NCPA New General Manager**

Ken Speer announced that Randy S. Howard has been selected by the NCPA Executive Committee and approved by the Commission as its new General Manager. Mr. Howard comes to NCPA from the Los Angeles Department of Water and Power and most recently has served as the Senior Assistant General Manager - Power System. It is anticipated he will join NCPA around February 1. George Morrow commented that he is very impressed with Randy's hands on and well-rounded range of experience. The Committee agreed that NCPA will have a professional in the electric industry at the helm.

**15. Other New Business**

Frank Schultz joined the meeting after roll call and announced that he is retiring from BART within the next month or so. He said he continues to be very impressed with the LEC Participants and NCPA staff who rolled up their sleeves, took big risks, and worked hard to get the LEC project built. He said he will be moving to New York and thanked the Participants for a very rewarding experience working on the PPC. George Morrow said Frank brought great skills and experience to the Committee and project and on behalf of the Committee wished him the very best.

**Adjournment**

The next regular meeting of the PPC is scheduled for Monday, January 12, 2015. The meeting was adjourned at 11:31 a.m.



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## **Lodi Energy Center Project Participant Committee Operational Report**

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**Date:** 1/12/2015

**To:** Lodi Energy Center Project Participant Committee

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### **Safety**

- OSHA Recordable: 0 Accidents

### **Notice of Violations**

- Permits: 0 Violations
- NERC/WECC: 0 Violations

### **Outage Summaries:**

- **Condenser Curtain Spray Pressure Switch (12/20/2014)** – LEC was approximately 45 minutes late to the scheduled loading orders due to a condenser spray curtain pressure switch failing. Operation staff verified system parameters were compliant and continued the startup sequence for production.

### **Planned Outage Summaries:**

- 2015, May 1<sup>st</sup> – May 9<sup>th</sup>: Balance of Plant Outage Work

**Generating Unit Statistics:**

LEC

**Report****Date:**

Start Date 12/1/2014

End Date 12/31/2014

1. Monthly Production 106,312 MWH
2. Productivity Factor
- a. Service Hours 418 Hours
  - b. Service Factor 56.24 %
  - c. Capacity Factor @ 280MW Pmax 51.03 %
  - d. Capacity Factor @ 302MW Pmax 47.31 %
3. Equivalent Operating Availability (EOA) 99.90 %
4. Forced Outage Rate (FOR)
- a. Combustion Turbine Generator 0.18 %
  - b. Steam Turbine Generator 0.18 %
5. Heat Rate Deviation (HRD)
- a. Fuel Cost (Not Current Market Price) 4.00 \$/mmBTU

MW Range		Average HR	PMOA HR	Deviation	Production	Cost
		BTU/kW-Hr	BTU/kW-Hr	%	MWH	\$
Seg. 1	296 - 302	6,922	6850	1.05%	173	\$50
Seg. 2	284 - 296	6,940	6870	1.01%	46,369	\$12,918
Seg. 3	275 - 284	6,959	6971	-0.17%	19,452	-\$904
Seg. 4	250 - 275	6,991	7081	-1.27%	20,606	-\$7,408
Seg. 5	225 - 250	7,065	7130	-0.91%	7,489	-\$1,951
Seg. 6	200 - 225	7,161	7315	-2.11%	3,899	-\$2,408
Seg. 7	175 - 225	7,331	7711	-4.93%	2,636	-\$4,010
Seg. 8	165 - 175	7,709	7856	-1.88%	2,462	-\$1,452
					<b>103,086</b>	<b>-\$5,165</b>

## 6. AGC Control Deviation

MW Range		High Dev	Low Dev	Absolute Dev	Cost
		MWH	MWH	MWH	\$
Seg. 1	296 - 302	16	0	16	\$442
Seg. 2	284 - 296	167	-122	289	\$8,032
Seg. 3	275 - 284	87	-69	156	\$4,344
Seg. 4	250 - 275	492	-31	523	\$14,625
Seg. 5	225 - 250	45	-24	69	\$1,959
Seg. 6	200 - 225	30	-14	44	\$1,249
Seg. 7	175 - 225	17	-10	27	\$786
Seg. 8	165 - 175	11	-3	13	\$413
		864	-273	1,137	<b>\$31,850</b>

## 7. Starting Reliability

Start Type	Hot Starts	Warm Starts	Cold Starts
Number of Starts	19	3	0
Start Time Benchmark (Minutes)	85	160	235
Start Time Actual (Average Minute)	77.6	150.0	235.0
Start Time Deviation (%)	-8.7%	-6.3%	0.0%
Start Fuel Benchmark PMOA (mmBTU)	1,967	5,200	5,430
Start Fuel Actual (Average mmBTU)	1,399	3,003	5,430
Fuel Deviation	-28.9%	-42.2%	0.0%
Costs of Fuel Deviations (\$)	<b>-\$2,272</b>	<b>-\$8,787</b>	<b>\$0</b>

**Definitions:**

1. Monthly Production = Plant Net MWH's
2. Capacity Factor
  - a. Service Hours = In Production or in Service State
  - b. Service Factor =  $SH / PH \times 100\%$
  - c. Capacity Factor =  $Production / 302MW \times PH$
  - d. Capacity Factor =  $Production / 280MW \times PH$
3. Monthly Equivalent Availability Factor (EAF) =  $(AH - EPDH - EFDH) / PH \times 100\%$
4. Forced Outage Rate =  $(FOH / (FOH + SH)) \times 100\%$
5. Heat Rate Deviation (HRD)
  - a. Fuel Cost = Cost of Fuel in \$/mmBTU
  - b. Average Heat Rate = The Average Heat Rate for the given Range
  - c. Heat Rate Deviation =  $(Heat\ Rate\ Average - Heat\ Rate\ Expected) / Heat\ Rate\ Expected \times 100\%$
  - d. Production = The Sum of Production for the given Range
  - e. Costs of Heat Rate Deviations =  $(Average\ Heat\ Rate - Expected\ Heat\ Rate) \times Production \times Cost\ of\ Fuel$
6. AGC Deviation-
  - a. MWH's = AGC Set Point Generation - LEC Actual Generation
  - b. Cost of Deviations = Fuel Cost x Heat Rate x Generation
7. Starting Reliability
  - a. Number of Starts = Start Count for Hot, Warm, and Cold
  - b. Start Time = Average Time from 0 Fuel Flow to Pmin
  - c. Start Fuel = Average Fuel Consumption to Pmin
  - d. Cost of Fuel Deviation =  $(Actual\ Fuel\ Consumed - Expected\ Fuel) \times Cost\ of\ Fuel$

Lodi Energy Center Monthly Budget Analysis		Means Actual or Means Actual or Means Actual or Estimated values Means Forecast Means Forecast Means Forecasted values																FY2015 Budget	Percent Used	Comments
		July	August	September	October	November	November (Estimate)	November (Diff)	November Estimate vs Actual (Diff %)	December	January	February	March	April	May	June	Year End Projection			
VOM		5,013,750	3,005,870	7,220,696	8,204,731	2,285,209	2,129,264	-155,945	-7%	5,259,061	4,597,377	3,614,139	4,483,450	3,905,698	2,156,971	2,175,698	52,454,273	51,681,547	101.5%	
Capacity Factor		57%	33%	89%	87%	26%	24%	-1%	-5%	51%	50%	51%	50%	52%	29%	28%	50%	52%		
Fuel Consumed (mmBTU, estimated)		841,281	498,061	1,261,077	1,261,077	377,086	335,225	-41,861	-12%	723,778	716,161	668,639	722,744	722,744	409,687	398,093	8,600,428	9,123,040	94.3%	
Avg Fuel Cost (\$/mmBTU)		5.23	5.05	4.96	4.97	5.13	5.34	0.21	4%	5.49	5.54	4.54	4.54	4.54	4.54	4.74	4.94	4.51		
Power Produced (MWHr, estimated)		118,475	69,005	178,828	178,828	51,635	48,938	-2,697	-6%	105,661	104,549	96,207	103,992	103,992	58,948	57,280	1,227,399	1,274,807	96.3%	
Avg Power Price (\$/MWHr)		51.48	48.21	45.28	45.28	49.51	49.00	-0.51	-1%	50.00	46.00	36.00	36.00	35.00	34.00	35.00	42.65	43.88		
Operations / Variable / LSTA		33,177	143,351	75,472	1,053,321	85,959	90,876	4,917	5%	753,474	101,831	93,706	680,309	101,288	57,415	474,207	3,653,510	3,651,332	100.1%	
Fuel (estimated)		4,398,896	2,515,899	6,260,014	6,266,698	1,932,834	1,790,103	-142,731	-8%	3,973,540	3,967,530	3,035,619	3,281,260	3,281,260	1,859,981	1,886,959	42,660,489	41,167,130	103.6%	
AB32 GHG Offset (estimated)		532,550	314,769	809,067	809,067	244,760	244,690	-70	0%	528,305	522,745	481,035	519,960	519,960	294,739	286,398	5,863,355	6,374,035	92.0%	
CA ISO Charges (estimated)		49,127	31,851	76,143	75,645	21,656	3,595	-18,061	-502%	3,742	5,271	3,779	1,921	3,190	2,251	2,342	276,919	489,050	56.6%	
Routine O&M (Fixed)		552,933	791,135	793,683	677,404	878,278	839,777	-38,501	-5%	1,263,527	819,724	827,724	827,724	769,777	1,193,527	767,777	8,915,709	8,935,879	99.8%	
Maintenance / Fixed		31,638	191,168	148,448	225,573	224,966	200,000	-24,966	-12%	200,000	179,947	187,947	187,947	130,000	130,000	128,000	1,965,634	1,765,358	111.3%	
Administration		106,163	96,717	188,734	18,250	7,496	104,068	96,572	93%	104,068	104,068	104,068	104,068	104,068	104,068	104,068	1,145,836	1,250,914	91.6%	
Mandatory Costs		27,186	10,162	7,623	1,763	13,784	18,333	4,549	25%	18,333	18,333	18,333	18,333	18,333	18,333	18,333	188,849	220,000	85.8%	
Inventory Stock		0	91,974	43,909	28,659	5,803	36,364	30,561	84%	36,364	36,364	36,364	36,364	36,364	36,364	36,364	424,893	400,000	106.2%	
Labor		286,415	284,596	288,276	304,166	522,865	364,797	-158,068	-43%	364,797	364,797	364,797	364,797	364,797	364,797	364,797	4,239,897	4,299,182	98.6%	
Insurance		0	0	13,885	0	0	12,745	12,745	100%	436,495	12,745	12,745	12,745	12,745	436,495	12,745	950,600	1,000,425	95.0%	
Power Management & Settlements		98,993	98,993	98,993	98,993	98,993	98,993	0	0%	98,993	98,993	98,993	98,993	98,993	98,993	98,993	1,187,916	1,187,916	100.0%	
Other Costs		2,538	17,525	3,815	0	4,371	4,477	106	2%	4,477	4,477	4,477	4,477	4,477	4,477	4,477	59,588	51,781	1	
Projects		150,000	155,088	150,000	150,000	152,168	603,751	451,583	75%	603,751	603,751	603,751	603,751	603,751	603,751	603,751	4,983,513	6,791,260	73.4%	
Maintenance Reserve		150,000	150,000	150,000	150,000	150,000	150,000	0	0%	150,000	150,000	150,000	150,000	150,000	150,000	150,000	1,800,000	1,800,000	100.0%	
Operations & Maintenance Projects		0	0	0	0	0	30,227	30,227	100%	30,227	30,227	30,227	30,227	30,227	30,227	30,227	211,589	332,500	63.6%	
Capital Projects		0	5,088	0	0	2,168	423,524	421,356	99%	423,524	423,524	423,524	423,524	423,524	423,524	423,524	2,971,924	4,658,760	63.8%	
A&G		104,462	121,410	131,651	132,694	127,777	187,422	59,645	32%	187,422	187,422	187,422	187,422	187,422	187,422	187,422	1,929,948	2,166,107	89.1%	
Administrative & General (Allocated)		86,419	101,714	108,222	111,235	108,310	149,294	40,984	27%	149,294	149,294	149,294	149,294	149,294	149,294	149,294	1,560,958	1,728,654	90.3%	
Generation Services Shared		18,043	19,696	23,429	21,459	19,467	38,128	18,661	49%	38,128	38,128	38,128	38,128	38,128	38,128	38,128	368,990	437,453	84.3%	
Total O&M Cost		5,821,145	4,073,503	8,296,030	9,164,829	3,443,432	3,760,214	316,782	8%	7,313,761	6,208,274	5,233,036	6,102,347	5,466,648	4,141,671	3,734,648	68,283,443	69,574,793	98.1%	
Debt Service		2,203,158	2,203,158	2,203,158	2,203,158	2,203,158	2,203,158	0	0%	2,203,158	2,203,158	2,203,158	2,203,158	2,203,158	2,203,158	2,203,157	26,437,895	26,437,890	100.0%	
Revenues		6,099,407	3,326,855	8,097,556	8,097,927	2,556,565	2,397,962	-158,603	-7%	5,283,050	4,809,254	3,463,452	3,743,712	3,639,720	2,004,226	2,004,783	53,126,507	55,938,024	95.0%	
ISO Energy Sales (estimated)		6,098,942	3,326,733	8,097,456	8,097,927	2,556,565	2,397,962	-158,603	-7%	5,283,050	4,809,254	3,463,452	3,743,712	3,639,720	2,004,226	2,004,783	53,125,820	55,938,024		
Other Income		465	122	100	0	0	0	0	#DIV/0!	0	0	0	0	0	0	0	687	-		
Net		(\$1,924,896)	(\$2,949,806)	(\$2,401,632)	(\$3,270,060)	(\$3,090,025)	(\$3,565,410)	(\$475,385)	13%	(\$4,233,869)	(\$3,602,178)	(\$3,972,742)	(\$4,561,793)	(\$4,030,086)	(\$4,340,603)	(\$3,933,023)	(\$41,594,831)	(\$40,074,659)	Above budget by 3.79%	



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# LEC Treasurer's Report

AGENDA ITEM NO.: \_\_\_\_\_

**Date:** January 6, 2015  
**To:** LEC Project Participant Committee  
**Subject:** Treasurer's Report for the Month Ended December 31, 2014

In compliance with NCPA policy and State of California Government Code Sections 53601 and 53646(b), the following monthly report is submitted for your information and acceptance.

Cash - At month end cash totaled \$0.

The cash balance held at U.S. Bank includes outstanding checks that have not yet cleared.

Investments - The carrying value of the LEC's investment portfolio totaled \$29,281,663 at month end. The current market value of the portfolio totaled \$30,155,863.

The overall portfolio had a combined weighted average interest rate of 0.510% with a bond equivalent yield (yield to maturity) of 0.529%. Investments with a maturity greater than one year totaled \$17,340,000. December maturities totaled \$7 million and during the month \$3 million was invested.

Funds not required to meet annual cash flow are reinvested and separately reported as they occur.

Interest Rates - During the month, rates on 90 day T-Bills increased 1 basis point (from 0.02% to 0.03%) and rates on one year T-Bills increased 11 basis points (from 0.14% to 0.25%).

To the best of my knowledge and belief, all securities held by LEC as of January 12, 2015, are in compliance with the Agency's investment policy. There are adequate cash flow and investment maturities to meet next month's cash requirements.

Environmental Analysis - The Treasurer's report will 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 of the California Environmental Quality Act. No environmental review is necessary.

Respectfully submitted,

DONNA STEVENER  
Assistant General Manager/CFO  
Administrative Services/Finance

Prepared by:

SONDRA AINSWORTH  
Treasurer-Controller

Attachments

# **LODI ENERGY CENTER**

## **TREASURER'S REPORT**

**DECEMBER 31, 2014**

### **TABLE OF CONTENTS**

	<b><u>PAGE</u></b>
<b>CASH &amp; INVESTMENTS BALANCE</b>	<b>1</b>
<b>CASH ACTIVITY SUMMARY</b>	<b>2</b>
<b>INVESTMENT ACTIVITY SUMMARY</b>	<b>3</b>
<b>INTEREST RATE/YIELD ANALYSIS</b>	<b>4</b>
<b>INVESTMENT MATURITIES ANALYSIS</b>	<b>5</b>
<b>DETAIL REPORT OF INVESTMENTS</b>	<b>APPENDIX</b>

**Northern California Power Agency/Lodi Energy Center**  
**Treasurer's Report**  
**Cash & Investment Balance**  
**December 31, 2014**

	CASH	INVESTMENTS	TOTAL	PERCENT	INVESTMENTS at MARKET
<b>MANDATORY FUNDS</b>					
Debt Service Account	-	6,772,855	6,772,855	22.432%	6,772,515
Debt Service Reserve	-	11,772,163	11,772,163	38.990%	11,747,781
O & M Reserve	-	10,665,777	10,665,777	35.326%	10,653,596
	-	29,210,795	29,210,795	96.748%	29,173,892
<b>ADDITIONAL PROJECT FUNDS</b>					
GHG Cash Account	-	70,868	70,868	0.235%	70,868
Transmission Upgrade Escrow	911,103		911,103	3.018%	911,103
Participant Deposit Account	-	0	0	0	-
	<b>\$ 911,103</b>	<b>\$ 29,281,663</b>	<b>\$ 30,192,766</b>	<b>100.000%</b>	<b>\$ 30,155,863</b>

**NOTE A -Investment amounts shown at book carrying value.**



Northern California Power Agency/Lodi Energy Center  
Treasurer's Report  
Cash Activity Summary  
December 31, 2014

	RECEIPTS			EXPENDITURES			CASH INCREASE / (DECREASE)
	OPS/CONSTR	INTEREST (NOTE B)	INVESTMENTS (NOTE A)	OPS/CONSTR	INVESTMENTS (NOTE B)	INTER-COMPANY/ FUND TRANSFERS	
<b>MANDATORY FUNDS</b>							
Debt Service Account	\$ -	\$ 124	\$ 6,634,000	\$ (11,811,064)	\$ 2,965,444	\$ 2,211,496	\$ -
Debt Service Reserve	-	84	-	-	(84)	-	-
O & M Reserve	-	13,484	(13,484)	-	-	-	-
	-	13,693	6,620,516	(11,811,064)	2,965,360	2,211,496	-
<b>ADDITIONAL PROJECT FUNDS</b>							
GHG Cash Account	-	-	-	-	-	-	-
Transmission Upgrade Escrow <sup>1</sup>		23					23
Participant Deposit Account	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ 13,693</b>	<b>\$ 6,620,516</b>	<b>\$ (11,811,064)</b>	<b>\$ 2,965,360</b>	<b>\$ 2,211,496</b>	<b>\$ 23</b>

NOTE A -Investment amounts shown at book carrying value.

NOTE B -Net of accrued interest purchased on investments.

Northern California Power Agency/Lodi Energy Center  
Treasurer's Report  
Investment Activity Summary  
December 31, 2014

			(NON-CASH) DISC/(PREM) AMORT	(NON-CASH) GAIN/(LOSS) ON SALE	INVESTMENTS	
	PURCHASED	SOLD OR MATURED			TRANSFERS	INCREASE / (DECREASE)
<b>MANDATORY FUNDS</b>						
Debt Service Account	(2,965,444)	(6,634,000)	214	-	-	(9,599,230)
Debt Service Reserve	84	-	(159)	-	-	(75)
O & M Reserve	-	13,484	221	-	-	13,705
	<u>(2,965,360)</u>	<u>(6,620,516)</u>	<u>275</u>	<u>-</u>	<u>-</u>	<u>(9,585,600)</u>
<b>ADDITIONAL PROJECT FUNDS</b>						
GHG Cash Account	-	-	-	-	-	-
Participant Deposit Acct.	-	-	-	-	-	-
<b>TOTAL</b>	<u>\$ (2,965,360)</u>	<u>\$ (6,620,516)</u>	<u>\$ 275</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (9,585,600)</u>

Less Non- Cash Activity

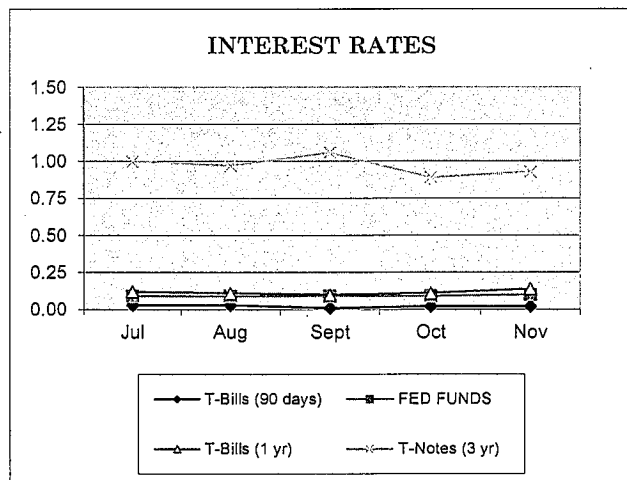
Disc/(Prem) Amortization & Gain/(Loss) on Sale	(275)
Net Change in Investment --Before Non-Cash Activity	<u>\$ (9,585,876)</u>

NOTE A -Investment amounts shown at book carrying value.

**NORTHERN CALIFORNIA POWER AGENCY  
LODI ENERGY CENTER  
INTEREST RATE/YIELD ANALYSIS  
December 31, 2014**

	<u>WEIGHTED AVERAGE INTEREST RATE</u>	<u>BOND EQUIVALENT YIELD</u>
<b>OVERALL COMBINED</b>	<u><u>0.510%</u></u>	<u><u>0.529%</u></u>
<u>Construction Revolving Acct</u>	0.000%	0.000%
<u>Funds:</u>		
Debt Service Account	0.087%	0.087%
Debt Service Reserve	0.545%	0.570%
O & M Reserve	0.741%	0.766%
GHG Cash Account	0.208%	0.208%

<b>KEY INTEREST RATES</b>		
	<u>CURRENT</u>	<u>PRIOR YEAR</u>
Fed Fds (Ovrnight)	0.12%	0.09%
T-Bills (90da.)	0.03%	0.03%
Agency Disc (90da.)	0.07%	0.03%
T-Bills (1yr.)	0.25%	0.11%
Agency Disc (1yr.)	0.22%	0.14%
T-Notes (3yr.)	1.11%	0.61%



Northern California Power Agency  
Total Portfolio  
Investment Maturities Analysis  
December 31, 2014

Type	0-7 Days	8-90 Days	91-180 Days	181-270 Days	271-360 Days	1-5 Years	5-10 Years	Total	Percent
US Government Agencies	\$0	\$0	\$3,383	\$0	\$0	\$17,340	\$0	\$20,723	70.77%
US Bank Trust Money Market	6,808							6,808	23.25%
Commercial Paper	0							0	0.00%
Investment Trusts (LAIF)	1,751							1,751	5.98%
U.S.Treasury Market Acct. *	0							0	0.00%
U.S.Treasury Bill								0	0.00%
Certificates of Deposit		0						0	0.00%
Total Dollars	\$8,559	\$0	\$3,383	\$0	\$0	\$17,340	\$0	\$29,282	100.00%
Total Percents	29.23%	0.00%	11.55%	0.00%	0.00%	59.22%	0.00%	100.00%	

Investment are shown at Face Value, in thousands.

\* The cash balance held at US Bank includes outstanding checks that have not yet cleared. This cash balance is invested nightly in a fully collateralized (U.S. Government Securities) repurchase agreement.

\*\* Cash held by Union Bank of California is invested nightly in fully collateralized U.S. Treasury Securities.

# **NORTHERN CALIFORNIA POWER AGENCY**

## **Detail Report Of Investments**

### **APPENDIX**

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**Note:**           **This appendix has been prepared to comply with  
Government Code section 53646.**



Northern California Power Agency  
Treasurer's Report  
12/31/2014

LEC Issue#1 2010A DS Fund

Issuer	Trustee / Custodian	Stated Value	Interest Rate	Purchase Date	Purchased Price	Maturity Date	Days to Maturity	Bond* Equiv Yield	Market Value	CUSIP	Investment #	Carrying Value
US Bank Trust	USB	1,046,229	0.100	07/01/2013	1,046,229		1	0.100	1,046,229	SYS79003	79003	1,046,229
Federal Home Loan Ba	USBT	694,000	0.090	11/26/2014	693,684	05/27/2015	146	0.091	693,743	313384GC7	26181	693,747
Federal National Mtg	USBT	1,387,000	0.065	10/28/2014	1,386,459	06/01/2015	151	0.065	1,386,417	313588GH2	26175	1,386,622
Fund Total and Average		\$ 3,127,229	0.082		\$ 3,126,372		100	0.083	\$ 3,126,389			\$ 3,126,598

LEC Issue #1 2010B DS Fund

US Bank Trust	USB	764,454	0.100	07/01/2013	764,454		1	0.100	764,454	SYS79004	79004	764,454
Fund Total and Average		\$ 764,454	0.100		\$ 764,454		1	0.100	\$ 764,454			\$ 764,454

LEC Issue #2 2010A DS Fund

US Bank Trust	USB	1,212,859	0.100	07/01/2013	1,212,859		1	0.100	1,212,859	SYS79011	79011	1,212,859
Federal Home Loan Ba	USBT	434,000	0.090	11/26/2014	433,803	05/27/2015	146	0.091	433,839	313384GC7	26182	433,842
Federal National Mtg	USBT	868,000	0.065	10/28/2014	867,661	06/01/2015	151	0.065	867,635	313588GH2	26176	867,763
Fund Total and Average		\$ 2,514,859	0.086		\$ 2,514,323		78	0.087	\$ 2,514,333			\$ 2,514,464

LEC Issue #2 2010B DS Fund

US Bank Trust	USB	367,339	0.100	07/01/2013	367,339		1	0.100	367,339	SYS79012	79012	367,339
Fund Total and Average		\$ 367,339	0.100		\$ 367,339		1	0.100	\$ 367,339			\$ 367,339
GRAND TOTALS:		\$ 6,773,881	0.087		\$ 6,772,488		75	0.087	\$ 6,772,515			\$ 6,772,855

\*Bond Equivalent Yield to Maturity is shown based on a 365 day year to provide a basis for comparison between all types. Investments with less than 6 months to maturity use an approximate method, all others use an exact method.  
Current Market Value is based on prices from Trustee/ Custodian Statements or bid prices from the Wall Street Journal as of 12/31/2014



Northern California Power Agency  
Treasurer's Report  
12/31/2014

LEC Issue #1 2010 DSR Fund

Issuer	Trustee / Custodian	Stated Value	Interest Rate	Purchase Date	Purchased Price	Maturity Date	Days to Maturity	Bond* Equiv Yield	Market Value	CUSIP	Investment #	Carrying Value
US Bank Trust	USB	70,138	0.100	07/01/2013	70,138		1	0.100	70,138	SYS79005	79005	70,138
Federal Home Loan Mt	USB	4,181,000	0.580	05/30/2014	4,183,927	08/26/2016	603	0.548	4,174,938	3134G56B6	26135	4,183,161
Federal National Mtg	USB	4,170,000	0.875	05/30/2014	4,171,960	08/28/2017	970	0.977	4,155,447	3135GOMZ3	26136	4,171,606
Fund Total and Average		\$ 8,421,138	0.722		\$ 8,426,025		780	0.757	\$ 8,400,523			\$ 8,424,905

LEC Iss#1 2010B BABS Subs Resv

US Bank Trust	USB	2,260,861	0.100	07/01/2013	2,260,861		1	0.100	2,260,861	SYS79006	79006	2,260,861
Fund Total and Average		\$ 2,260,861	0.100		\$ 2,260,861		1	0.100	\$ 2,260,861			\$ 2,260,861

LEC Issue #2 2010B DSR BABS

US Bank Trust	USB	1,086,397	0.100	07/01/2013	1,086,397		1	0.100	1,086,397	SYS79013	79013	1,086,397
Fund Total and Average		\$ 1,086,397	0.100		\$ 1,086,397		1	0.100	\$ 1,086,397			\$ 1,086,397
GRAND TOTALS:		\$ 11,768,396	0.545		\$ 11,773,283		558	0.570	\$ 11,747,781			\$ 11,772,163

\*Bond Equivalent Yield to Maturity is shown based on a 365 day year to provide a basis for comparison between all types. Investments with less than 6 months to maturity use an approximate method, all others use an exact method.  
Current Market Value is based on prices from Trustee/ Custodian Statements or bid prices from the Wall Street Journal as of 12/31/2014

Investment # 26135 - FHLMC - Callable semi-annually.



Northern California Power Agency  
Treasurer's Report  
12/31/2014

LEC O & M Reserve

Issuer	Trustee / Custodian	Stated Value	Interest Rate	Purchase Date	Purchased Price	Maturity Date	Days to Maturity	Bond* Equiv Yield	Market Value	CUSIP	Investment #	Carrying Value
Local Agency Investm												
Union Bank of Califo	UBOC	1,680,145	0.207	07/01/2013	1,680,145		1	0.207	1,680,145	SYS70047	70047	1,680,145
Federal Home Loan Mt	UBOC	0	0.002	07/18/2013	0		1	0.002	0	SYS70041	70041	0
Federal Home Loan Mt	UBOC	3,000,000	0.500	10/25/2013	2,992,800	06/06/2016	522	0.592	2,993,700	3134G46A1	26052	2,996,060
Federal Home Loan Mt	UBOC	2,992,000	0.800	09/23/2014	2,991,102	12/23/2016	722	0.813	2,985,358	3134G5HP3	26162	2,991,211
Federal Farm Credit	UBOC	2,997,000	1.220	09/23/2014	2,998,499	09/18/2017	991	1.202	2,994,393	3133EDV74	26161	2,998,362
Fund Total and Average		\$ 10,669,145	0.741		\$ 10,662,546		628	0.766	\$ 10,653,596			\$ 10,665,778
GRAND TOTALS:		\$ 10,669,145	0.741		\$ 10,662,546		628	0.766	\$ 10,653,596.			\$ 10,665,778

\*Bond Equivalent Yield to Maturity is shown based on a 365 day year to provide a basis for comparison between all types. Investments with less than 6 months to maturity use an approximate method, all others use an exact method.

Current Market Value is based on prices from Trustee/ Custodian Statements or bid prices from the Wall Street Journal as of 12/31/2014

Investment # 26052 - FHLMC - Callable Quarterly.  
Investment # 26161 - FFCB - Callable 9/18/2015, then anytime.  
Investment # 26162 - FHLMC -Callable Quarterly.





Northern California Power Agency  
Treasurer's Report

12/31/2014

LEC GHG Auction Acct

Issuer	Trustee / Custodian	Stated Value	Interest Rate	Purchase Date	Purchased Price	Maturity Date	Days to Maturity	Bond* Equiv Yield	Market Value	CUSIP	Investment #	Carrying Value
Local Agency Investm		70,868	0.207	07/01/2013	70,868		1	0.207	70,868	SYS70046	70046	70,868
Fund Total and Average		\$ 70,868	0.208		\$ 70,868		1	0.208	\$ 70,868			\$ 70,868
GRAND TOTALS:		\$ 70,868	0.208		\$ 70,868		1	0.208	\$ 70,868			\$ 70,868

\*Bond Equivalent Yield to Maturity is shown based on a 365 day year to provide a basis for comparison between all types. Investments with less than 6 months to maturity use an approximate method, all others use an exact method.  
Current Market Value is based on prices from Trustee/ Custodian Statements or bid prices from the Wall Street Journal as of 12/31/2014



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# LEC Financial Reports

AGENDA ITEM NO.: \_\_\_\_\_

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**Date:** January 6, 2015

**Subject:** December 31, 2014 Financial Reports (Unaudited)

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**NORTHERN CALIFORNIA POWER AGENCY  
LODI ENERGY CENTER  
STATEMENT OF NET POSITION  
UNAUDITED**

ASSETS	December 31	
	2014	2013
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 70,868	\$ 63,250
Interest receivable	19,696	1,749
Inventory and supplies - at average cost	1,341,702	1,005,172
Prepaid insurance	13,885	781,761
Due from (to) Agency, net	23,001,967	15,925,497
<b>TOTAL CURRENT ASSETS</b>	<b>24,448,118</b>	<b>17,777,429</b>
<b>RESTRICTED ASSETS</b>		
Cash and cash equivalents	8,314,149	7,337,479
Investments	21,793,826	22,296,557
Interest receivable	17,645	7,113
<b>TOTAL RESTRICTED ASSETS</b>	<b>30,125,620</b>	<b>29,641,149</b>
<b>ELECTRIC PLANT</b>		
Electric plant in service	423,372,867	423,354,890
Less: accumulated depreciation	(30,417,341)	(15,835,096)
	392,955,526	407,519,794
Construction work-in-progress	3,425	-
<b>TOTAL ELECTRIC PLANT</b>	<b>392,958,951</b>	<b>407,519,794</b>
<b>OTHER ASSETS</b>		
Regulatory assets	15,835,578	12,766,829
<b>TOTAL ASSETS</b>	<b>\$ 463,368,267</b>	<b>\$ 467,705,201</b>

**NORTHERN CALIFORNIA POWER AGENCY  
LODI ENERGY CENTER  
STATEMENT OF NET POSITION  
UNAUDITED**

	December 31	
	2014	2013
<b>LIABILITIES &amp; NET POSITION</b>		
<b>CURRENT LIABILITIES</b>		
Accounts and retentions payable	\$ 3,447,782	\$ 2,869,657
Operating reserves	12,324,923	11,149,667
Current portion of long-term debt	9,025,000	8,640,000
Accrued interest payable	1,428,906	1,475,465
<b>TOTAL CURRENT LIABILITIES</b>	<b>26,226,611</b>	<b>24,134,789</b>
<b>NON-CURRENT LIABILITIES</b>		
Operating reserves and other deposits	981,974	63,194
Regulatory liability	46,040,138	45,315,610
Long-term debt, net	372,364,945	382,389,357
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>419,387,057</b>	<b>427,768,161</b>
<b>TOTAL LIABILITIES</b>	<b>445,613,668</b>	<b>451,902,950</b>
<b>NET POSITION</b>		
Invested in capital assets, net of related debt	(6,863,317)	(16,789,148)
Restricted	15,942,503	14,154,047
Unrestricted	8,675,413	18,437,352
<b>TOTAL NET POSITION</b>	<b>17,754,599</b>	<b>15,802,251</b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 463,368,267</b>	<b>\$ 467,705,201</b>

**NORTHERN CALIFORNIA POWER AGENCY  
LODI ENERGY CENTER  
STATEMENT OF REVENUES, EXPENSES  
& CHANGES IN NET POSITION  
UNAUDITED**

	Six Months Ended December 31	
	2014	2013
<b>SALES FOR RESALE</b>		
Participants	\$ 19,569,508	\$ 18,395,266
Other	36,067,337	30,108,869
<b>TOTAL SALES FOR RESALE</b>	<b>55,636,845</b>	<b>48,504,135</b>
<b>OPERATING EXPENSES</b>		
Operations	27,879,978	18,443,226
Depreciation	7,282,986	7,299,222
Maintenance expenses	3,070,120	3,920,529
Administrative and general	2,381,777	2,004,774
Transmission	3,594,719	1,353,039
Intercompany (sales) purchases	102,093	141,790
<b>TOTAL OPERATING EXPENSES</b>	<b>44,311,673</b>	<b>33,162,580</b>
<b>NET OPERATING REVENUES</b>	<b>11,325,172</b>	<b>15,341,555</b>
<b>OTHER REVENUES (EXPENSES)</b>		
Interest expense	(8,234,423)	(7,827,416)
Interest income	86,959	43,538
Other	1,751,673	350,862
<b>TOTAL OTHER REVENUES (EXPENSES)</b>	<b>(6,395,791)</b>	<b>(7,433,016)</b>
<b>FUTURE RECOVERABLE AMOUNTS</b>	<b>3,217,430</b>	<b>2,414,718</b>
<b>INCREASE IN NET POSITION</b>	<b>8,146,811</b>	<b>10,323,257</b>
<b>NET POSITION</b>		
Beginning of year	9,607,788	5,478,994
End of period	\$ 17,754,599	\$ 15,802,251

**Lodi Energy Center  
FY 2015 Operating Costs  
As of December 31, 2014**

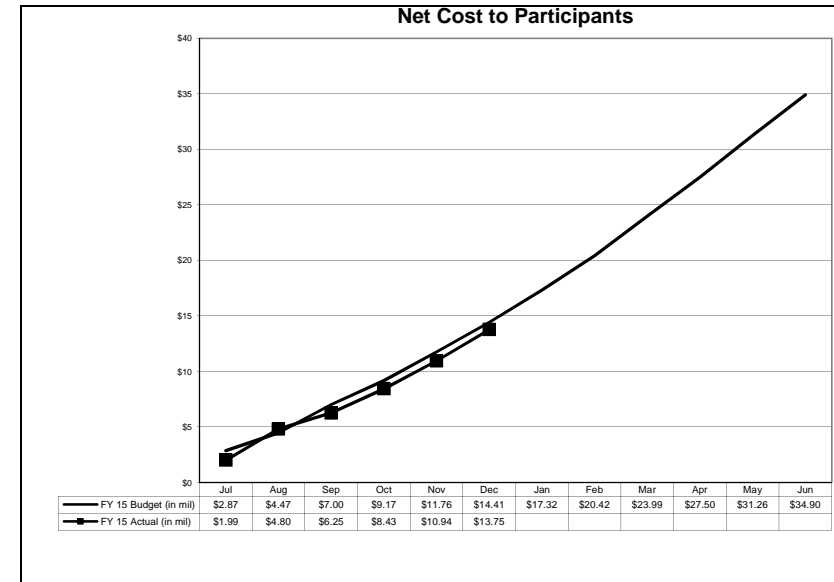
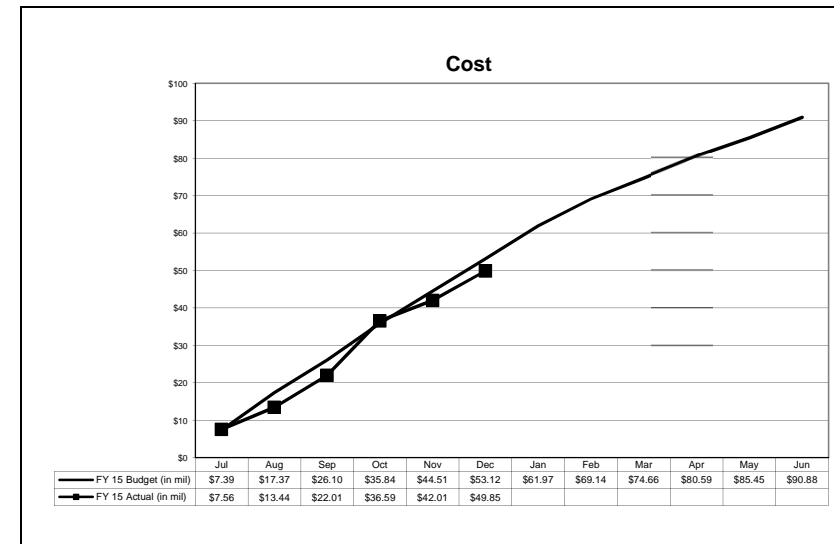
	Annual Budget	Actual	Remaining	YTD % Remaining	Notes
<b>Routine O&amp;M Costs</b>					
Variable	\$ 3,651,332	\$ 1,521,729	\$ 2,129,603	58%	<b>A</b>
Fixed	1,765,358	1,107,429	657,929	37%	
Administration	1,250,914	605,596	645,318	52%	
Mandatory Costs	220,000	62,745	157,255	71%	
Inventory Stock	400,000	170,345	229,655	57%	
<b>Routine O&amp;M Costs without Labor</b>	7,287,604	3,467,844	3,819,760	52%	
<b>Labor</b>	4,299,182	1,837,991	2,461,191	57%	
<b>Total Routine O&amp;M Cost</b>	11,586,786	5,305,835	6,280,951	54%	
<b>Other Costs</b>					<b>B C</b>
Fuel	41,167,130	25,059,740	16,107,390	39%	
CA ISO Charges	489,050	3,594,719	(3,105,669)	-635%	
Debt Service	26,437,890	13,218,949	13,218,941	50%	
Insurance	1,000,425	384,932	615,493	62%	
Other Costs	51,781	28,248	23,533	45%	
Generation Services Shared	437,453	122,093	315,360	72%	
Administrative & General (Allocated)	1,728,654	625,900	1,102,754	64%	
Power Management Allocated Costs	1,187,916	593,958	593,958	50%	
<b>Total O&amp;M Cost</b>	84,087,085	48,934,374	35,152,711	42%	
<b>Projects</b>					
Operations & Maintenance	332,500	8,512	323,988	97%	
Capital	4,658,760	8,513	4,650,247	100%	
Maintenance Reserve	1,800,000	900,000	900,000	50%	
<b>Total Projects</b>	6,791,260	917,025	5,874,235	86%	
<b>Annual Cost</b>	90,878,345	49,851,399	41,026,946	45%	
<b>Less: Third Party Revenue</b>					
Interest Income	44,489	30,577	13,912	31%	
ISO Energy Sales	54,517,593	35,183,274	19,334,319	35%	
Ancillary Services Sales	1,420,431	884,063	536,368	38%	
Other Income	-	750	(750)	N/A	
	55,982,513	36,098,664	19,883,849	36%	
<b>Net Annual Cost to Participants</b>	\$ 34,895,832	\$ 13,752,735	\$ 21,143,097	61%	
<b>Total Variable Costs</b>	45,307,512	23,864,119	21,443,393		
<b>Total Fixed Costs</b>	45,570,833	12,701,634	32,869,199		
	<u>\$ 90,878,345</u>	<u>\$ 36,565,753</u>	<u>\$ 54,312,592</u>		
<b>Net Cumulative Generation (MWh)</b>	1,207,542	721,995			
<b>Total O&amp;M Cost Per MWh</b>	\$ 69.63	\$ 67.78			
<b>Net Annual Cost Per MWh</b>	\$ 28.90	\$ 19.05			

**Footnotes:**

**A** - Higher costs due to repairs to boilers and turbines.

**B** - Actual gas costs per mmBtu were higher than budgeted for October, November and December.

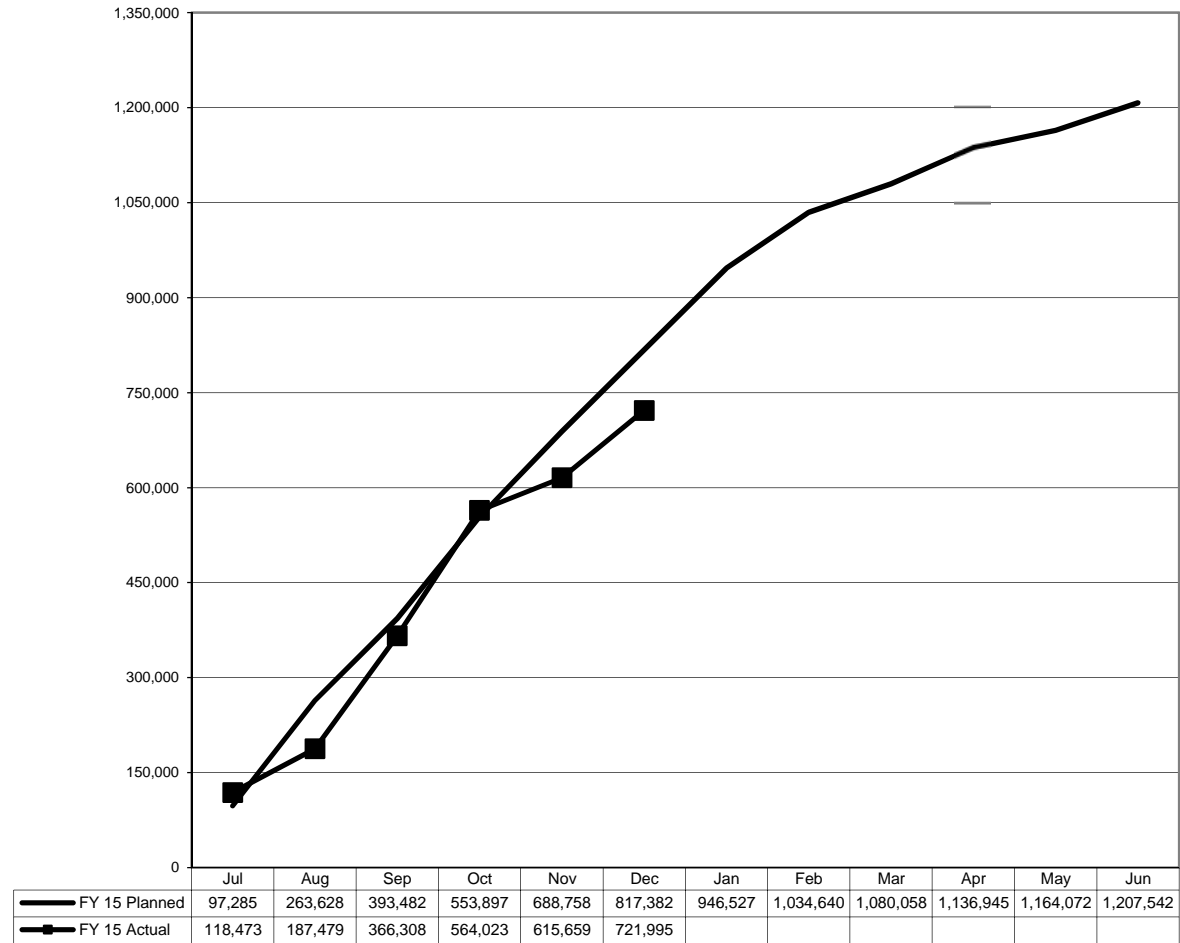
**C** - Costs are higher than expected due to load balancing requirements at CA ISO.



# Annual Budget LEC Generation Analysis Planned vs. Actual FY 2015

In MWh

## Lodi Energy Center



2013 NCPA All Resources Bill LEC GHG Compliance Instrument Detail Report  
for the Lodi Energy Center

IDENTIFIER	Actual													Compliance Year 2013
	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	Total
Energy (MWh)	0	82,787	101,925	128,167	134,284	32,545	80,153	122,492	94,615	92,091	98,739	105,078	138,068	1,210,944
Gas Schedule (MMBtu)	0	593,484	723,038	894,657	952,529	229,724	579,650	870,331	673,965	650,250	692,396	738,008	965,292	8,563,324
Emissions Factor (MT/MMBtu)	0	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054
Monthly MT Emissions (MT)	0	32,027	39,019	48,280	51,403	12,397	31,281	46,967	36,371	35,091	37,365	39,827	52,092	462,120
Cumulative MT Obligation (MT)	0	32,027	71,046	119,326	170,730	183,127	214,407	261,375	297,745	332,836	370,201	410,028	462,120	462,120
Compliance Instrument Participant Transfers (to LEC)														
Auction Allowances	92,695	5,350	0	13,644	105,000	50,632	30,628	1,600	102,200	12,594	0	0	46,290	460,633
Secondary Market Allowances	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Reserve Sale Allowances	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Offsets	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Compliance Instrument Participant Transfers (MT)	92,695	5,350	0	13,644	105,000	50,632	30,628	1,600	102,200	12,594	0	0	46,290	460,633
NCPA Compliance Instrument Purchases (for LEC)														
Auction Purchases	47,000	0	0	0	0	0	0	0	0	0	0	0	0	47,000
Secondary Market Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Reserve Sale Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Offset Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total NCPA Compliance Instrument Purchases (MT)	47,000	0	0	0	0	0	0	0	0	0	0	0	0	47,000
Compliance Instruments Surrendered to CARB (MT)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Monthly Activity (MT)	139,695	5,350	0	13,644	105,000	50,632	30,628	1,600	102,200	12,594	0	0	46,290	507,633
Cumulative MT Account Balance [MTA] (MT)	139,695	145,045	145,045	158,689	263,689	314,321	344,949	346,549	448,749	461,343	461,343	461,343	507,633	507,633
MTA Shortfall (MT)	(139,695)	(113,018)	(73,999)	(39,363)	(92,959)	(131,194)	(130,542)	(85,174)	(151,004)	(128,507)	(91,142)	(51,315)	(45,513)	(45,513)



2013 NCPA Air Resources Bill LEC GHG Compliance Instrument Detail Report for the Lodi Energy Center	2014 NCPA Air Resources Bill LEC GHG Compliance Instrument Detail Report for the Lodi Energy Center												
	Actual										Estimated		Compliance Year 2014
IDENTIFIER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	Total
Energy (MWh)	136,604	156,089	120,489	55,378	71,210	51,037	118,473	69,006	178,831	197,715	48,938	208,541	1,412,310
Gas Schedule (MMBtu)	951,700	1,092,730	858,805	391,272	512,068	371,695	836,762	496,327	1,251,547	1,371,546	342,563	1,459,785	9,936,799
Emissions Factor (MT/MMBtu)	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054
Monthly MT Emissions (MT)	51,358	58,969	46,345	21,115	27,634	20,059	45,156	26,784	67,540	74,015	18,486	78,777	536,239
Cumulative MT Obligation (MT)	513,478	572,447	618,793	639,908	667,542	687,600	732,756	759,540	827,080	901,095	919,582	998,359	998,359
Compliance Instrument Participant Transfers (to LEC)													
Auction Allowances	102,347	50,000	48,066	25,000	1,290	138,448	0	0	13,586	50,520	94,074	0	523,331
Secondary Market Allowances	0	0	0	0	0	0	0	0	0	0	0	0	0
Reserve Sale Allowances	0	0	0	0	0	0	0	0	0	0	0	0	0
Offsets	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Compliance Instrument Participant Transfers (MT)	102,347	50,000	48,066	25,000	1,290	138,448	0	0	13,586	50,520	94,074	0	523,331
NCPA Compliance Instrument Purchases (for LEC)													
Auction Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0
Secondary Market Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0
Reserve Sale Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0
Offset Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0
Total NCPA Compliance Instrument Purchases (MT)	0	0	0	0	0	0	0	0	0	0	0	0	0
Compliance Instruments Surrendered to CARB (MT)	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Monthly Activity (MT)	102,347	50,000	48,066	25,000	1,290	138,448	0	0	13,586	50,520	94,074	0	523,331
Cumulative MT Account Balance [MTA] (MT)	609,980	659,980	708,046	733,046	734,336	872,784	872,784	872,784	886,370	936,890	1,030,964	1,030,964	1,030,964
MTA Shortfall (MT)	(96,502)	(87,533)	(89,253)	(93,138)	(66,794)	(185,184)	(140,028)	(113,244)	(59,290)	(35,795)	(111,382)	(32,605)	(32,605)

2015 NCPA All Resources Bill LEC GHG Compliance Instrument Detail Report for the Lodi Energy Center	2015 NCPA All Resources Bill LEC GHG Compliance Instrument Detail Report for the Lodi Energy Center									
	Estimated						Compliance Year 2015	Cumulative Totals		
IDENTIFIER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	Total	Total	Charge Code	Source
Energy (MWh)	104,548	96,207	103,992	103,992	46,713	45,045	500,498	3,123,752		Forecast/Meter
Gas Schedule (MMBtu)	731,839	673,447	727,946	727,946	326,992	315,314	3,503,484	22,003,607		Forecast/Meter
Emissions Factor (MT/MMBtu)	0.054	0.054	0.054	0.054	0.054	0.054				MARS
Monthly MT Emissions (MT)	39,494	36,343	39,284	39,284	17,646	17,016	189,066	1,187,425		derived
Cumulative MT Obligation (MT)	1,037,853	1,074,195	1,113,479	1,152,763	1,170,409	1,187,425	1,187,425	2,647,904		derived
Compliance Instrument Participant Transfers (to LEC)										
Auction Allowances	0	0	0	0	0	0	0	983,964		CITSS
Secondary Market Allowances	0	0	0	0	0	0	0	0		CITSS
Reserve Sale Allowances	0	0	0	0	0	0	0	0		CITSS
Offsets	0	0	0	0	0	0	0	0		CITSS
Total Compliance Instrument Participant Transfers (MT)	0	0	0	0	0	0	0	983,964		
NCPA Compliance Instrument Purchases (for LEC)										
Auction Purchases	0	0	0	0	0	0	0	47,000		CITSS
Secondary Market Purchases	0	0	0	0	0	0	0	0		CITSS
Reserve Sale Purchases	0	0	0	0	0	0	0	0		CITSS
Offset Purchases	0	0	0	0	0	0	0	0		CITSS
Total NCPA Compliance Instrument Purchases (MT)	0	0	0	0	0	0	0	47,000		
Compliance Instruments Surrendered to CARB (MT)	0	0	0	0	0	0	0	0		CITSS
							0			
Total Monthly Activity (MT)	0	0	0	0	0	0	0	1,030,964		derived
Cumulative MT Account Balance [MTA] (MT)	1,030,964	1,030,964	1,030,964	1,030,964	1,030,964	1,030,964		1,030,964		derived
MTA Shortfall (MT)	6,889	43,231	82,515	121,799	139,445	156,461		1,616,940	MTA SHORTFALL	derived

NCPA All Resources Bill LEC GHG Obligation Detail Report (Cumulative) December 2014																
IDENTIFIER	AZUSA	BART	BIG	CDWR	GRI	HEA	LOD	LOM	MID	PLU	PWRPA	SNCL	UKI	TOTAL	Charge Code	Source
Allocation Percentages																
Generation Entitlement Share %	2.7857%	6.6000%	0.2679%	33.5000%	1.9643%	1.6428%	9.5000%	2.0357%	10.7143%	0.7857%	2.6679%	25.7500%	1.7857%	100%		MARS
Obligation Accounts																
Current MT Compliance Obligation (MTO) Balance (MT)	27,811	65,892	2,675	334,450	19,611	16,401	94,844	20,324	106,967	7,844	26,635	257,077	17,828	998,359		derived
Current MT Compliance Instrument Account (MTA) Balance (MT)	28,000	82,200	2,675	385,000	19,611	16,401	94,844	24,200	108,000	7,870	26,636	270,000	17,828	1,083,265		derived
MTA Shortfall (MT)	(189)	(16,308)	(0)	(50,550)	(0)	0	0	(3,877)	(1,033)	(26)	(1)	(12,923)	(0)	(84,906)	MTA SHORTFALL	Derived
Monthly GHG Price \$/MT	12.26	12.26	12.26	12.26	12.26	12.26	12.26	12.26	12.26	12.26	12.26	12.26	12.26	12.26	MTA SHORTFALL	ICE Index
GHG Minimum Cash Compliance Obligation (\$)	0	0	0	0	0	1	1	0	0	0	0	0	0	2	MTA SHORTFALL	Derived
Current Month CCA Balance (\$)*	60,991	0	143	0	1,103	4,780	755	0	0	0	0	0	2,652	70,424	CCA BALANCE	Accounting
Net GHG Obligation (\$) -Revised	0	0	0	0	0	0	0	0	0	0	0	0	0	0	NET GHG OBLIG	Derived

\* The Current Month CCA Balance (\$) consists of the current cash balance plus any outstanding balance of Net GHG Obligation (\$) billed but not yet received.

2013 NCPA All Resources Bill LEC GHG Compliance Instrument Detail Report  
for the Lodi Energy Center

IDENTIFIER	Actual													Compliance Year 2013
	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	Total
Energy (MWh)	0	82,787	101,925	128,167	134,284	32,545	80,153	122,492	94,615	92,091	98,739	105,078	138,068	1,210,944
Gas Schedule (MMBtu)	0	593,484	723,038	894,657	952,529	229,724	579,650	870,331	673,965	650,250	692,396	738,008	965,292	8,563,324
Emissions Factor (MT/MMBtu)	0	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054
Monthly MT Emissions (MT)	0	32,027	39,019	48,280	51,403	12,397	31,281	46,967	36,371	35,091	37,365	39,827	52,092	462,120
Cumulative MT Obligation (MT)	0	32,027	71,046	119,326	170,730	183,127	214,407	261,375	297,745	332,836	370,201	410,028	462,120	462,120
Compliance Instrument Participant Transfers (to LEC)														
Auction Allowances	92,695	5,350	0	13,644	105,000	50,632	30,628	1,600	102,200	12,594	0	0	46,290	460,633
Secondary Market Allowances	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Reserve Sale Allowances	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Offsets	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Compliance Instrument Participant Transfers (MT)	92,695	5,350	0	13,644	105,000	50,632	30,628	1,600	102,200	12,594	0	0	46,290	460,633
NCPA Compliance Instrument Purchases (for LEC)														
Auction Purchases	47,000	0	0	0	0	0	0	0	0	0	0	0	0	47,000
Secondary Market Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Reserve Sale Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Offset Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total NCPA Compliance Instrument Purchases (MT)	47,000	0	0	0	0	0	0	0	0	0	0	0	0	47,000
Compliance Instruments Surrendered to CARB (MT)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Monthly Activity (MT)	139,695	5,350	0	13,644	105,000	50,632	30,628	1,600	102,200	12,594	0	0	46,290	507,633
Cumulative MT Account Balance [MTA] (MT)	139,695	145,045	145,045	158,689	263,689	314,321	344,949	346,549	448,749	461,343	461,343	461,343	507,633	507,633
MTA Shortfall (MT)	(139,695)	(113,018)	(73,999)	(39,363)	(92,959)	(131,194)	(130,542)	(85,174)	(151,004)	(128,507)	(91,142)	(51,315)	(45,513)	(45,513)

2013 NCPA Air Resources Bill LEC GHG Compliance Instrument Detail Report for the Lodi Energy Center	2014 NCPA Air Resources Bill LEC GHG Compliance Instrument Detail Report for the Lodi Energy Center												
	Actual											Estimated	Compliance Year 2014
IDENTIFIER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	Total
Energy (MWh)	136,604	156,089	120,489	55,378	71,210	51,037	118,473	69,006	178,831	197,715	51,636	118,668	1,325,136
Gas Schedule (MMBtu)	951,700	1,092,730	858,805	391,272	512,068	371,695	836,762	496,327	1,251,547	1,371,546	372,826	830,676	9,337,954
Emissions Factor (MT/MMBtu)	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	
Monthly MT Emissions (MT)	51,358	58,969	46,345	21,115	27,634	20,059	45,156	26,784	67,540	74,015	20,120	44,827	503,923
Cumulative MT Obligation (MT)	513,478	572,447	618,793	639,908	667,542	687,600	732,756	759,540	827,080	901,095	921,215	966,042	966,042
Compliance Instrument Participant Transfers (to LEC)													
Auction Allowances	102,347	50,000	48,066	25,000	1,290	138,448	0	0	13,586	50,520	100,350	21,692	551,299
Secondary Market Allowances	0	0	0	0	0	0	0	0	0	0	0	0	0
Reserve Sale Allowances	0	0	0	0	0	0	0	0	0	0	0	0	0
Offsets	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Compliance Instrument Participant Transfers (MT)	102,347	50,000	48,066	25,000	1,290	138,448	0	0	13,586	50,520	100,350	21,692	551,299
NCPA Compliance Instrument Purchases (for LEC)													
Auction Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0
Secondary Market Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0
Reserve Sale Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0
Offset Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0
Total NCPA Compliance Instrument Purchases (MT)	0	0	0	0	0	0	0	0	0	0	0	0	0
Compliance Instruments Surrendered to CARB (MT)	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Monthly Activity (MT)	102,347	50,000	48,066	25,000	1,290	138,448	0	0	13,586	50,520	100,350	21,692	551,299
Cumulative MT Account Balance [MTA] (MT)	609,980	659,980	708,046	733,046	734,336	872,784	872,784	872,784	886,370	936,890	1,037,240	1,058,932	1,058,932
MTA Shortfall (MT)	(96,502)	(87,533)	(89,253)	(93,138)	(66,794)	(185,184)	(140,028)	(113,244)	(59,290)	(35,795)	(116,025)	(92,890)	(92,890)

2015 NCPA All Resources Bill LEC GHG Compliance Instrument Detail Report for the Lodi Energy Center	2015 NCPA All Resources Bill LEC GHG Compliance Instrument Detail Report for the Lodi Energy Center									
	Estimated						Compliance Year 2015	Cumulative Totals		
IDENTIFIER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	Total	Total	Charge Code	Source
Energy (MWh)	104,548	96,207	103,992	103,992	58,948	57,279	524,966	3,061,047		Forecast/Meter
Gas Schedule (MMBtu)	731,839	673,447	727,946	727,946	412,633	400,954	3,674,765	21,576,043		Forecast/Meter
Emissions Factor (MT/MMBtu)	0.054	0.054	0.054	0.054	0.054	0.054				MARS
Monthly MT Emissions (MT)	39,494	36,343	39,284	39,284	22,268	21,637	198,309	1,164,351		derived
Cumulative MT Obligation (MT)	1,005,536	1,041,879	1,081,162	1,120,446	1,142,714	1,164,351	1,164,351	2,592,513		derived
Compliance Instrument Participant Transfers (to LEC)										
Auction Allowances	0	0	0	0	0	0	0	1,011,932		CITSS
Secondary Market Allowances	0	0	0	0	0	0	0	0		CITSS
Reserve Sale Allowances	0	0	0	0	0	0	0	0		CITSS
Offsets	0	0	0	0	0	0	0	0		CITSS
Total Compliance Instrument Participant Transfers (MT)	0	0	0	0	0	0	0	1,011,932		
NCPA Compliance Instrument Purchases (for LEC)										
Auction Purchases	0	0	0	0	0	0	0	47,000		CITSS
Secondary Market Purchases	0	0	0	0	0	0	0	0		CITSS
Reserve Sale Purchases	0	0	0	0	0	0	0	0		CITSS
Offset Purchases	0	0	0	0	0	0	0	0		CITSS
Total NCPA Compliance Instrument Purchases (MT)	0	0	0	0	0	0	0	47,000		
Compliance Instruments Surrendered to CARB (MT)	0	0	0	0	0	0	0	0		CITSS
							0			
Total Monthly Activity (MT)	0	0	0	0	0	0	0	1,058,932		derived
Cumulative MT Account Balance [MTA] (MT)	1,058,932	1,058,932	1,058,932	1,058,932	1,058,932	1,058,932	1,058,932	1,058,932		derived
MTA Shortfall (MT)	(53,396)	(17,053)	22,230	61,514	83,782	105,419	105,419	1,533,581	MTA SHORTFALL	derived

NCPA All Resources Bill LEC GHG Obligation Detail Report (Cumulative) January 2015																
IDENTIFIER	AZUSA	BART	BIGGS	CDWR	GRI	HEA	LOD	LOM	MID	PLU	PWRPA	SNCL	UKI	TOTAL	Charge Code	Source
Allocation Percentages																
Generation Entitlement Share %	2.7857%	6.6000%	0.2679%	33.5000%	1.9643%	1.6428%	9.5000%	2.0357%	10.7143%	0.7857%	2.6679%	25.7500%	1.7857%	100%		MARS
Obligation Accounts																
Current MT Compliance Obligation (MTO) Balance (MT)	28,011	66,365	2,694	336,855	19,752	16,519	95,526	20,470	107,736	7,900	26,827	258,926	17,956	1,005,536		derived
Current MT Compliance Instrument Account (MTA) Balance (MT)	28,000	82,200	2,801	342,000	20,249	16,394	98,596	24,200	108,000	8,220	29,787	270,000	17,786	1,048,233		derived
MTA Shortfall (MT)	11	(15,835)	(107)	(5,145)	(497)	125	(3,070)	(3,731)	(264)	(320)	(2,960)	(11,074)	170	(42,697)	MTA SHORTFALL	Derived
Monthly GHG Price \$/MT	12.50	12.50	12.50	12.50	12.50	12.50	12.50	12.50	12.50	12.50	12.50	12.50	12.50	12.50	MTA SHORTFALL	ICE Index
GHG Minimum Cash Compliance Obligation (\$)	140	0	0	0	0	1,562	0	0	0	0	0	0	2,123	3,825	MTA SHORTFALL	Derived
Current Month CCA Balance (\$)*	60,991	0	143	0	1,103	4,780	755	0	0	0	0	0	2,652	70,424	CCA BALANCE	Accounting
Net GHG Obligation (\$)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	NET GHG OBLIG	Derived

\* The Current Month CCA Balance (\$) consists of the current cash balance plus any outstanding balance of Net GHG Obligation (\$) billed but not yet received.



## **Lodi Energy Center Project Participant Committee**

### **Staff Report**

AGENDA ITEM NO.: 10

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**Date:** January 12, 2015  
**To:** Lodi Energy Center Project Participant Committee  
**Subject:** Farwest Insulation Contracting Agreement for Insulation Services – All NCPA Facilities

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#### Proposal

Approve a Multi-Task General Services Agreement with Farwest Insulation Contracting for an amount not to exceed Five Hundred Thousand Dollars (\$500,000) over five years, to be used on an as-needed basis for insulation services at all NCPA facilities.

#### Background

Miscellaneous insulation services are required at various NCPA locations for the operation of the plants. Farwest Insulation Contracting is a provider of these services. In addition to this agreement with Farwest Insulation Contracting, NCPA currently has two other enabling agreements with similar providers for maintenance services. NCPA will issue purchase orders based on cost and availability of the service(s) needed at the time.

#### Fiscal Impact

The total cost of the agreement will be not-to-exceed \$500,000 over the five year term to be used out of NCPA approved budgets as services are rendered. Purchase orders referencing the terms and conditions of the Agreement will be issued following NCPA procurement policies and procedures.

#### 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.

#### Recommendation

Staff recommends that the PPC pass a motion approving the Multi-Task General Services Agreement with Farwest Insulation Contracting, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$500,000 over five years.

Prepared by:

KEN SPEER  
Assistant General Manager  
Generation Services

Attachments: (1)

- Multi-Task General Services Agreement with Farwest Insulation Contracting





**MULTI-TASK  
GENERAL SERVICES AGREEMENT BETWEEN  
THE NORTHERN CALIFORNIA POWER AGENCY AND  
FARWEST INSULATION CONTRACTING**

This agreement for general services ("Agreement") is made by and between the Northern California Power Agency, a joint powers agency with its main office located at 651 Commerce Drive, Roseville, CA 95678-6420 ("Agency") and Farwest Insulation Contracting, a corporation with its office located at 1220 S. Sherman Street, Anaheim, CA 92805 ("Contractor") (together sometimes referred to as the "Parties") as of \_\_\_\_\_, 2015 ("Effective Date") in Roseville, California.

**Section 1. SCOPE OF WORK.** Subject to the terms and conditions set forth in this Agreement, Contractor is willing to provide to Agency the range of services and/or goods described in the Scope of Work attached hereto as Exhibit A and incorporated herein ("Work").

- 1.1 **Term of Agreement.** The term of this Agreement shall begin on the Effective Date and shall end when Contractor completes the Work, or no later than five (5) years from the date this Agreement was signed by Agency, whichever is shorter.
- 1.2 **Standard of Performance.** Contractor shall perform the Work in the manner and according to the standards observed by a competent practitioner of the profession in which Contractor is engaged and for which Contractor is providing the Work. Contractor represents that it is licensed, qualified and experienced to provide the Work set forth herein.
- 1.3 **Assignment of Personnel.** Contractor shall assign only competent personnel to perform the Work. In the event that Agency, in its sole discretion, at any time during the term of this Agreement, requests the reassignment of any such personnel, Contractor shall, immediately upon receiving written notice from Agency of such request, reassign such personnel.
- 1.4 **Request for Work to be Performed.** At such time that Agency determines to have Contractor perform Work under this Agreement, Agency shall issue a Purchase Order. The Purchase Order shall identify the specific Work to be performed ("Requested Work"), may include a not-to-exceed cap on monetary cap on Requested Work and all related expenditures authorized by that Purchase Order, and shall include a time by which the Requested Work shall be completed.

**Section 2. COMPENSATION.** Agency hereby agrees to pay Contractor an amount **NOT TO EXCEED FIVE HUNDRED THOUSAND** dollars (\$500,000.00) for the Work, which shall include all fees, costs, expenses and other reimbursables, as set forth in Contractor's fee schedule, attached hereto and incorporated herein as Exhibit B. This dollar amount is not a guarantee that Agency will pay that full amount to the Contractor, but is merely a limit of potential Agency expenditures under this Agreement.

2.1 **Invoices.** Contractor shall submit invoices, not more often than once a month during the term of this Agreement, based on the cost for services performed and reimbursable costs incurred prior to the invoice date. Invoices shall contain the following information:

- The beginning and ending dates of the billing period;
- Work performed;
- The Purchase Order number authorizing the Requested Work;
- At Agency's option, for each work item in each task, a copy of the applicable time entries or time sheets shall be submitted showing the name of the person doing the work, the hours spent by each person, a brief description of the work, and each reimbursable expense, with supporting documentation;
- At Agency's option, the total number of hours of work performed under the Agreement by Contractor and each employee, agent, and subcontractor of Contractor performing work hereunder.

Invoices shall be sent to:

Northern California Power Agency  
651 Commerce Drive  
Roseville, California 95678  
Attn: Accounts Payable

2.2 **Monthly Payment.** Agency shall make monthly payments, based on invoices received, for Work satisfactorily performed, and for authorized reimbursable costs incurred. Agency shall have thirty (30) days from the receipt of an invoice that complies with all of the requirements above to pay Contractor.

2.3 **Payment of Taxes.** Contractor is solely responsible for the payment of all federal, state and local taxes, including employment taxes, incurred under this Agreement.

2.4 **Authorization to Perform Work.** The Contractor is not authorized to perform any Work or incur any costs whatsoever under the terms of this Agreement until receipt of a Purchase Order from the Contract Administrator.

2.5 **Timing for Submittal of Final Invoice.** Contractor shall have ninety (90) days after completion of the Requested Work to submit its final invoice for the Requested Work. In the event Contractor fails to submit an invoice to Agency for any amounts due within the ninety (90) day period, Contractor is deemed to have waived its right to collect its final payment for the Requested Work from Agency.

**Section 3. FACILITIES AND EQUIPMENT.** Except as set forth herein, Contractor shall, at its sole cost and expense, provide all facilities and equipment that may be necessary to perform the Work.

**Section 4. INSURANCE REQUIREMENTS.** Before beginning any Work under this Agreement, Contractor, at its own cost and expense, shall procure the types and amounts of insurance listed below and shall maintain the types and amounts of insurance listed below for the period covered by this Agreement.

**4.1 Workers' Compensation.** If Contractor employs any person, Contractor shall maintain Statutory Workers' Compensation Insurance and Employer's Liability Insurance for any and all persons employed directly or indirectly by Contractor with limits of not less than one million dollars (\$1,000,000.00) per accident.

**4.2 Commercial General and Automobile Liability Insurance.**

**4.2.1 Commercial General Insurance.** Contractor shall maintain commercial general liability insurance for the term of this Agreement, including products liability, covering any loss or liability, including the cost of defense of any action, for bodily injury, death, personal injury and broad form property damage which may arise out of the operations of Contractor. The policy shall provide a minimum limit of \$1,000,000 per occurrence/\$2,000,000 aggregate. Commercial general coverage shall be at least as broad as ISO Commercial General Liability form CG 0001 (current edition) on "an occurrence" basis covering comprehensive General Liability, with a self-insured retention or deductible of no more than \$100,000. No endorsement shall be attached limiting the coverage.

**4.2.2 Automobile Liability.** Contractor shall maintain automobile liability insurance form CA 0001 (current edition) for the term of this Agreement covering any loss or liability, including the cost of defense of any action, arising from the operation, maintenance or use of any vehicle (symbol 1), whether or not owned by the Contractor, on or off Agency premises. The policy shall provide a minimum limit of \$1,000,000 per each accident, with a self-insured retention or deductible of no more than \$100,000. This insurance shall provide contractual liability covering all motor vehicles and mobile equipment to the extent coverage may be excluded from general liability insurance.

**4.2.3 General Liability/Umbrella Insurance.** The coverage amounts set forth above may be met by a combination of underlying and umbrella policies as long as in combination the limits equal or exceed those stated.

**4.3 Professional Liability Insurance.** Intentionally left blank.

**4.4 All Policies Requirements.**

**4.4.1 Verification of coverage.** Prior to beginning any work under this Agreement, Contractor shall provide Agency with (1) a Certificate of Insurance that demonstrates compliance with all applicable insurance provisions contained herein and (2) policy endorsements to the policies referenced in Section 4.2, adding the

Agency as an additional insured and declaring such insurance primary in regard to work performed pursuant to this Agreement.

4.4.2 **Notice of Reduction in or Cancellation of Coverage.** Contractor shall provide at least thirty (30) days prior written notice to Agency of any reduction in scope or amount, cancellation, or modification adverse to Agency of the policies referenced in Section 4.

4.4.3 **Higher Limits.** If Contractor maintains higher limits than the minimums specified herein, the Agency shall be entitled to coverage for the higher limits maintained by the Contractor.

4.5 **Waiver of Subrogation.** Contractor agrees to waive subrogation which any insurer of Contractor may acquire from Contractor by virtue of the payment of any loss. Contractor agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of Agency for all work performed by Contractor, its employees, agents and subcontractors.

4.6 **Contractor's Obligation.** Contractor shall be solely responsible for ensuring that all equipment, vehicles and other items utilized in the performance of Work are operated, provided or otherwise utilized in a manner that ensures they are and remain covered by the policies referenced in Section 4 during this Agreement. Contractor shall also ensure that all workers involved in the provision of Work are properly classified as employees, agents or independent contractors and are and remain covered by any and all workers' compensation insurance required by applicable law during this Agreement.

## **Section 5. INDEMNIFICATION AND CONTRACTOR'S RESPONSIBILITIES.**

5.1 **Effect of Insurance.** Agency's acceptance of insurance certificates and endorsements required under this Agreement does not relieve Contractor from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply to any damages or claims for damages whether or not such insurance policies shall have been determined to apply. By execution of this Agreement, Contractor acknowledges and agrees to the provisions of this section and that it is a material element of consideration.

5.2 **Scope.** Contractor shall indemnify, defend with counsel reasonably acceptable to the Agency, and hold harmless the Agency, and its officials, commissioners, officers, employees, agents and volunteers from and against all losses, liabilities, claims, demands, suits, actions, damages, expenses, penalties, fines, costs (including without limitation costs and fees of litigation), judgments and causes of action of every nature arising out of or in connection with any acts or omissions by Contractor, its officers, officials, agents, and employees, except as caused by the sole or gross negligence of Agency.

Notwithstanding, should this Agreement be construed as a construction agreement under Civil Code section 2783, then the exception referenced above shall also be for the active negligence of Agency.

**Section 6. STATUS OF CONTRACTOR.**

- 6.1 Independent Contractor.** Contractor is an independent contractor and not an employee of Agency. Agency shall have the right to control Contractor only insofar as the results of Contractor's Work and assignment of personnel pursuant to Section 1; otherwise, Agency shall not have the right to control the means by which Contractor accomplishes Work rendered pursuant to this Agreement. Notwithstanding any other Agency, state, or federal policy, rule, regulation, law, or ordinance to the contrary, Contractor and any of its employees, agents, and subcontractors providing services under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any and all claims to, any compensation, benefit, or any incident of employment by Agency, including but not limited to eligibility to enroll in the California Public Employees Retirement System (PERS) as an employee of Agency and entitlement to any contribution to be paid by Agency for employer contributions and/or employee contributions for PERS benefits.

Contractor shall indemnify, defend, and hold harmless Agency for the payment of any employee and/or employer contributions for PERS benefits on behalf of Contractor or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of Agency. Contractor and Agency acknowledge and agree that compensation paid by Agency to Contractor under this Agreement is based upon Contractor's estimated costs of providing the Work, including salaries and benefits of employees, agents and subcontractors of Contractor.

- 6.2 Contractor Not Agent.** Except as Agency may specify in writing, Contractor shall have no authority, express or implied, to act on behalf of Agency in any capacity whatsoever as an agent. Contractor shall have no authority, express or implied, pursuant to this Agreement to bind Agency to any obligation whatsoever.
- 6.3 Assignment and Subcontracting.** This Agreement contemplates personal performance by Contractor and is based upon a determination of Contractor's unique professional competence, experience, and specialized professional knowledge. A substantial inducement to Agency for entering into this Agreement was and is the personal reputation and competence of Contractor. Contractor may not assign this Agreement or any interest therein without the prior written approval of the Agency. Contractor shall not subcontract any portion of the performance contemplated and provided for herein, other than to the subcontractors identified in Exhibit A, without prior written approval of the Agency. Where written approval is granted by the Agency, Contractor shall supervise all work subcontracted by Contractor in performing the Work and shall be responsible for all work performed by a subcontractor as if Contractor itself had performed such Work. The

subcontracting of any work to subcontractors shall not relieve Contractor from any of its obligations under this Agreement with respect to the Work and Contractor is obligated to ensure that any and all subcontractors performing any Work shall be fully insured in all respects and to the same extent as set forth under Section 4, to Agency's satisfaction.

- 6.4 **Certification as to California Energy Commission.** If requested by the Agency, Contractor shall, at the same time it executes this Agreement, execute Exhibit C.

## **Section 7. LEGAL REQUIREMENTS.**

- 7.1 **Governing Law.** The laws of the State of California shall govern this Agreement.
- 7.2 **Compliance with Applicable Laws.** Contractor and its subcontractors and agents, if any, shall comply with all laws applicable to the performance of the work hereunder.
- 7.3 **Licenses and Permits.** Contractor represents and warrants to Agency that Contractor and its employees, agents, and subcontractors (if any) have and will maintain at their sole expense during the term of this Agreement all licenses, permits, qualifications, and approvals of whatever nature that are legally required to practice their respective professions.
- 7.4 **Work Requiring Payment of Prevailing Wages.** If applicable, in accordance with California Labor Code Section 1771, not less than the general prevailing rate of per diem wages for work of a similar character in the locality in which these services are to be performed, and not less than the general prevailing rate of per diem wages for holiday and overtime work fixed as provided in the California Labor Code shall be paid to all workers engaged in performing the services under this Agreement.

## **Section 8. TERMINATION AND MODIFICATION.**

- 8.1 **Termination.** Agency may cancel this Agreement at any time and without cause upon ten (10) days prior written notice to Contractor.

In the event of termination, Contractor shall be entitled to compensation for Work satisfactorily completed as of the effective date of termination; Agency, however, may condition payment of such compensation upon Contractor delivering to Agency any or all records or documents (as referenced in Section 9.1 hereof).

- 8.2 **Amendments.** The Parties may amend this Agreement only by a writing signed by all the Parties.
- 8.3 **Survival.** All obligations arising prior to the termination of this Agreement and all provisions of this Agreement allocating liability between Agency and Contractor shall survive the termination of this Agreement.

8.4 **Options upon Breach by Contractor.** If Contractor materially breaches any of the terms of this Agreement, including but not limited to those set forth in Section 4, Agency's remedies shall include, but not be limited to, the following:

8.4.1 Immediately terminate the Agreement;

8.4.2 Retain the plans, specifications, drawings, reports, design documents, and any other work product prepared by Contractor pursuant to this Agreement;

8.4.3 Retain a different Contractor to complete the Work not finished by Contractor; and/or

8.4.4 Charge Contractor the difference between the costs to complete the Work that is unfinished at the time of breach and the amount that Agency would have paid Contractor pursuant hereto if Contractor had completed the Work.

## **Section 9. KEEPING AND STATUS OF RECORDS.**

9.1 **Records Created as Part of Contractor's Performance.** All reports, data, maps, models, charts, studies, surveys, photographs, memoranda, plans, studies, specifications, records, files, or any other documents or materials, in electronic or any other form, that Contractor prepares or obtains pursuant to this Agreement and that relate to the matters covered hereunder shall be the property of the Agency. Contractor hereby agrees to deliver those documents to the Agency upon termination of the Agreement. Agency and Contractor agree that, unless approved by Agency in writing, Contractor shall not release to any non-parties to this Agreement any data, plans, specifications, reports and other documents.

9.2 **Contractor's Books and Records.** Contractor shall maintain any and all records or other documents evidencing or relating to charges for Work or expenditures and disbursements charged to the Agency under this Agreement for a minimum of three (3) years, or for any longer period required by law, from the date of final payment to the Contractor to this Agreement.

9.3 **Inspection and Audit of Records.** Any records or documents that this Agreement requires Contractor to maintain shall be made available for inspection, audit, and/or copying at any time during regular business hours, upon oral or written request of the Agency. Under California Government Code Section 8546.7, if the amount of public funds expended under this Agreement exceeds ten thousand dollars (\$10,000.00), the Agreement shall be subject to the examination and audit of the State Auditor, at the request of Agency or as part of any audit of the Agency, for a period of three (3) years after final payment under the Agreement.

## 9.4 Confidential Information and Disclosure.

9.4.1 **Confidential Information.** The term "Confidential Information", as used herein, shall mean any and all confidential, proprietary, or trade secret information, whether written, recorded, electronic, oral or otherwise, where the Confidential Information is made available in a tangible medium of expression and marked in a prominent location as confidential, proprietary and/or trade secret information. Confidential Information shall not include information that: (a) was already known to the Receiving Party or is otherwise a matter of public knowledge, (b) was disclosed to Receiving Party by a third party without violating any confidentiality agreement, (c) was independently developed by Receiving Party without reverse engineering, as evidenced by written records thereof, or (d) was not marked as confidential Information in accordance with this section.

9.4.2 **Non-Disclosure of Confidential Information.** During the term of this Agreement, either party may disclose ("The Disclosing Party") confidential Information to the other party ("the Receiving Party"). The Receiving Party: (a) shall hold the Disclosing Party's Confidential Information in confidence; and (b) shall take all reasonable steps to prevent any unauthorized possession, use, copying, transfer or disclosure of such Confidential Information.

9.4.3 **Permitted Disclosure.** Notwithstanding the foregoing, the following disclosures of Confidential Information are allowed. Receiving Party shall endeavor to provide prior written notice to Disclosing Party of any permitted disclosure made pursuant to Section 9.4.3.2 or 9.4.3.3. Disclosing Party may seek a protective order, including without limitation, a temporary restraining order to prevent or contest such permitted disclosure; provided, however, that Disclosing Party shall seek such remedies at its sole expense. Neither party shall have any liability for such permitted disclosures:

9.4.3.1 Disclosure to employees, agents, Contractors, contractors, subcontractors or other representatives of Receiving Party that have a need to know in connection with this Agreement.

9.4.3.2 Disclosure in response to a valid order of a court, government or regulatory agency or as may otherwise be required by law; and

9.4.3.3 Disclosure by Agency in response to a request pursuant to the California Public Records Act.

9.4.4 **Handling of Confidential Information.** Conclusion of Agreement. Receiving Party shall return to Disclosing Party or destroy Confidential Information (including all copies thereof) upon termination of this Agreement, if requested by Disclosing Party in writing. Notwithstanding the foregoing, the Receiving Party may retain



copies of such Confidential Information, subject to the confidentiality provisions of this Agreement: (a) for archival purposes in its computer system; (b) in its legal department files; and (c) in files of Receiving Party's representatives where such copies are necessary to comply with applicable law. Party shall not disclose the Disclosing Party's Information to any person other than those of the Receiving Party's employees, agents, Contractors, contractors and subcontractors who have a need to know in connection with this Agreement.

## **Section 10. PROJECT SITE.**

- 10.1 **Operations at the Project Site.** Each Project site may include the power plant areas, all buildings, offices, and other locations where Work is to be performed, including any access roads. Contractor shall perform the Work in such a manner as to cause a minimum of interference with Agency's operations and the operations of other contractors at the Project site and to protect all persons and property thereon from damage or injury. Upon completion of the Work at a Project site, Contractor shall leave such Project site clean and free of all tools, equipment, waste materials and rubbish, stemming from or relating to Contractor's Work.
- 10.2 **Contractor's Equipment, Tools, Supplies and Materials.** Contractor shall be solely responsible for the transportation, loading and unloading, and storage of any equipment, tools, supplies or materials required for performing the Work, whether owned, leased or rented. Agency will not be responsible for any such equipment, supplies or materials which may be lost, stolen or damaged or for any additional rental charges for such. Equipment, tools, supplies and materials left or stored at a Project site, with or without permission, is at Contractor's sole risk. Agency may assume that anything left on the Project site an unreasonable length of time after the Work is completed has been abandoned. Any transportation furnished by Agency shall be solely as an accommodation and Agency shall have no liability therefor. Contractor shall assume the risk and is solely responsible for its owned, non-owned and hired automobiles, trucks or other motorized vehicles as well as any equipment, tools, supplies, materials or other property which is utilized by Contractor on the Project site. All materials and supplies used by Contractor in the Work shall be new and in good condition.
- 10.3 **Use of Agency Equipment.** Contractor shall assume the risk and is solely responsible for its use of any Agency owned equipment and property provided by Agency for the performance of Work.

## **Section 11. WARRANTY.**

- 11.1 **Nature of Work.** In addition to any and all warranties provided or implied by law or public policy, Contractor warrants that all Work shall be free from defects in design and workmanship, and that Contractor shall perform all Work in accordance with applicable federal, state, and local laws, rules and regulations including engineering, construction and

other codes and standards and prudent electrical utility standards, and in accordance with the terms of this Agreement.

11.2 **Deficiencies in Work.** In addition to all other rights and remedies which Agency may have, Agency shall have the right to require, and Contractor shall be obligated at its own expense to perform, all further Work which may be required to correct any deficiencies which result from Contractor's failure to perform any Work in accordance with the standards required by this Agreement. If during the term of this Agreement or the one (1) year period following completion of the Work, any equipment, supplies or other materials or Work used or provided by Contractor under this Agreement fails due to defects in material and/or workmanship or other breach of this Agreement, Contractor shall, upon any reasonable written notice from Agency, replace or repair the same to Agency's satisfaction.

11.3 **Assignment of Warranties.** Contractor hereby assigns to Agency all additional warranties, extended warranties, or benefits like warranties, such as insurance, provided by or reasonably obtainable from suppliers of equipment and material used in the Work.

**Section 12. HEALTH AND SAFETY PROGRAMS.** The Contractor shall establish, maintain, and enforce safe work practices, and implement an accident/incident prevention program intended to ensure safe and healthful operations under their direction. The program shall include all requisite components of such a program under Federal, State and local regulations and shall comply with all Agency site programs.

12.1 Contractor is responsible for acquiring job hazard assessments as necessary to safely perform the Work and provide a copy to Agency upon request.

12.2 Contractor is responsible for providing all employee health and safety training and personal protective equipment in accordance with potential hazards that may be encountered in performance of the Work and provide copies of the certified training records upon request by Agency. Contractor shall be responsible for proper maintenance and/or disposal of their personal protective equipment and material handling equipment.

12.3 Contractor is responsible for ensuring that its lower-tier subcontractors are aware of and will comply with the requirements set forth herein.

12.4 Agency, or its representatives, may periodically monitor the safety performance of the Contractor performing the Work. Contractors and its subcontractors shall be required to comply with the safety and health obligations as established in the Agreement. Non-compliance with safety, health, or fire requirements may result in cessation of work activities, until items in non-compliance are corrected. It is also expressly acknowledged, understood and agreed that no payment shall be due from Agency to Contractor under this Agreement at any time when, or for any Work performed when, Contractor is not in full compliance with this Section 12.

- 12.5 Contractor shall immediately report any injuries to the Agency site safety representative. Additionally, the Contractor shall investigate and submit to the Agency site safety representative copies of all written accident reports, and coordinate with Agency if further investigation is requested.
- 12.6 Contractor shall take all reasonable steps and precautions to protect the health of its employees and other site personnel with regard to the Work. Contractor shall conduct occupational health monitoring and/or sampling to determine levels of exposure of its employees to hazardous or toxic substances or environmental conditions. Copies of any sampling results will be forwarded to the Agency site safety representative upon request.
- 12.7 Contractor shall develop a plan to properly handle and dispose of any hazardous wastes, if any, Contractor generates in performing the Work.
- 12.8 Contractor shall advise its employees and subcontractors that any employee, who jeopardizes his/her safety and health, or the safety and health of others, may be subject to actions including removal from Work.
- 12.9 Contractor shall, at the sole option of the Agency, develop and provide to the Agency a Hazardous Material Spill Response Plan that includes provisions for spill containment and clean-up, emergency contact information including regulatory agencies and spill sampling and analysis procedures. Hazardous Materials to include diesel fuel used for trucks owned or leased by the Contractor.

## **Section 13 MISCELLANEOUS PROVISIONS.**

- 13.1 **Attorneys' Fees.** If a party to this Agreement brings any action, including an action for declaratory relief, to enforce or interpret the provision of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees in addition to any other relief to which that party may be entitled. The court may set such fees in the same action or in a separate action brought for that purpose.
- 13.2 **Venue.** In the event that either party brings any action against the other under this Agreement, the Parties agree that trial of such action shall be vested exclusively in the state courts of California in the County of Placer or in the United States District Court for the Eastern District of California.
- 13.3 **Severability.** If a court of competent jurisdiction finds or rules that any provision of this Agreement is invalid, void, or unenforceable, the provisions of this Agreement not so adjudged shall remain in full force and effect. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.

13.4 **No Implied Waiver of Breach.** The waiver of any breach of a specific provision of this Agreement does not constitute a waiver of any other breach of that term or any other term of this Agreement.

13.5 **Successors and Assigns.** The provisions of this Agreement shall inure to the benefit of and shall apply to and bind the successors and assigns of the Parties.

13.6 **Conflict of Interest.** Contractor may serve other clients, but none whose activities within the corporate limits of Agency or whose business, regardless of location, would place Contractor in a "conflict of interest," as that term is defined in the Political Reform Act, codified at California Government Code Section 81000 *et seq.*

Contractor shall not employ any Agency official in the work performed pursuant to this Agreement. No officer or employee of Agency shall have any financial interest in this Agreement that would violate California Government Code Sections 1090 *et seq.*

13.7 **Contract Administrator.** This Agreement shall be administered by Ken Speer, Assistant General Manager, or his/her designee, who shall act as the Agency's representative. All correspondence shall be directed to or through the representative.

13.8 **Notices.** Any written notice to Contractor shall be sent to:

Farwest Insulation Contracting  
Attention: Eric Sarmento  
1604 Tillie Lewis Drive, Suite B.  
Stockton, CA 95206  
[esarmento@farwestinsulation.com](mailto:esarmento@farwestinsulation.com) (925) 348-0101

Any written notice to Agency shall be sent to:

James H. Pope  
General Manager  
Northern California Power Agency  
651 Commerce Drive  
Roseville, CA 95678

With a copy to:

Michael F. Dean  
General Counsel  
Northern California Power Agency  
Meyers Nave  
555 Capitol Mall, Suite 1200  
Sacramento, CA 95814

- 13.9 **Professional Seal.** Where applicable in the determination of the Agency, the first page of a technical report, first page of design specifications, and each page of construction drawings shall be stamped/sealed and signed by the licensed professional responsible for the report/design preparation.
- 13.10 **Integration; Incorporation.** This Agreement, including all the exhibits attached hereto, represents the entire and integrated agreement between Agency and Contractor and supersedes all prior negotiations, representations, or agreements, either written or oral. All exhibits attached hereto are incorporated by reference herein.
- 13.11 **Alternative Dispute Resolution.** If any dispute arises between the Parties that cannot be settled after engaging in good faith negotiations, Agency and Contractor agree to resolve the dispute in accordance with the following:
- 13.11.1 Each party shall designate a senior management or executive level representative to negotiate any dispute;
  - 13.11.2 The representatives shall attempt, through good faith negotiations, to resolve the dispute by any means within their authority.
  - 13.11.3 If the issue remains unresolved after fifteen (15) days of good faith negotiations, the Parties shall attempt to resolve the disagreement by negotiation between legal counsel. If the above process fails, the Parties shall resolve any remaining disputes through mediation to expedite the resolution of the dispute.
  - 13.11.4 The mediation process shall provide for the selection within fifteen (15) days by both Parties of a disinterested third person as mediator, shall be commenced within thirty (30) days and shall be concluded within fifteen (15) days from the commencement of the mediation.
  - 13.11.5 The Parties shall equally bear the costs of any third party in any alternative dispute resolution process.
  - 13.11.6 The alternative dispute resolution process is a material condition to this Agreement and must be exhausted as an administrative prior to either Party initiating legal action. This alternative dispute resolution process is not intended to nor shall be construed to change the time periods for filing a claim or action specified by Government Code §§ 900 *et seq.*
- 13.12 **Controlling Provisions.** In the case of any conflict between the terms of this Agreement and the Exhibits hereto, and Contractor's Proposal (if any), the Agreement shall control. In the case of any conflict between the Exhibits hereto and the Contractor's Proposal, the Exhibits shall control.

13.13 **Counterparts.** This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one agreement.

13.14 **Construction of Agreement.** Each party hereto has had an equivalent opportunity to participate in the drafting of the Agreement and/or to consult with legal counsel. Therefore, the usual construction of an agreement against the drafting party shall not apply hereto.

13.15 **No Third Party Beneficiaries.** This Agreement is made solely for the benefit of the parties hereto, with no intent to benefit any non-signator third parties.

The Parties have executed this Agreement as of the date signed by the Agency.

NORTHERN CALIFORNIA POWER AGENCY

FARWEST INSULATION CONTRACTING

Date\_\_\_\_\_

Date\_\_\_\_\_

\_\_\_\_\_  
JAMES H. POPE, General Manager

\_\_\_\_\_  
ERIC B. SARMENTO, Branch Manager

Attest:

\_\_\_\_\_  
Assistant Secretary of the Commission  
Approved as to Form:

\_\_\_\_\_  
Assistant General Counsel

## EXHIBIT A

### SCOPE OF WORK

Farwest Insulation Contracting ("Contractor") shall provide insulation services as requested by the Northern California Power Agency ("Agency") at any of its facilities.

## EXHIBIT B

### COMPENSATION SCHEDULE AND HOURLY FEES

Compensation for all work, including hourly fees and expenses, shall not exceed amount as set forth in Section 2 of this Agreement. The hourly rates and or compensation break down and an estimated amount of expenses is as follows:

#### Labor Rates:

Classification	Straight Time	Overtime	Double Time
General Foreman	\$ 105.27	\$ 145.90	\$ 186.53
Foreman	\$ 102.80	\$ 142.19	\$ 181.59
Mechanic	\$ 98.68	\$ 136.02	\$ 173.36
Apprentice 5th	\$ 91.21	\$ 124.82	\$ 158.42
Apprentice 4th	\$ 83.74	\$ 113.61	\$ 143.48
Apprentice 3rd	\$ 72.55	\$ 96.82	\$ 121.10
Apprentice 2nd	\$ 53.74	\$ 73.28	\$ 92.82
Apprentice 1st	\$ 38.39	\$ 53.32	\$ 68.25

Travel pay: \$20.00 per day per employee.

Rates applicable through July 31, 2015.

#### Material Rates:

Actual invoice cost plus 10%

Union labor rates increase annually – Contractor will notify NCPA 30 days prior to rate increases.

NOTE: As a public agency, NCPA shall not reimburse Contractor for travel, food and related costs in excess of those permitted by the Internal Revenue Service.



EXHIBIT C

CERTIFICATION

Affidavit of Compliance for Contractors

I,

---

(Name of person signing affidavit)(Title)

do hereby certify that background investigations to ascertain the accuracy of the identity and employment history of all employees of

---

(Company name)

for contract work at

LODI ENERGY CENTER, 12745 N. THORNTON ROAD, LODI, CA 95242

(Project name and location)

have been conducted as required by the California Energy Commission Decision for the above-named project.

---

(Signature of officer or agent)

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_.

THIS AFFIDAVIT OF COMPLIANCE SHALL BE APPENDED TO THE PROJECT SECURITY PLAN AND SHALL BE RETAINED AT ALL TIMES AT THE PROJECT SITE FOR REVIEW BY THE CALIFORNIA ENERGY COMMISSION COMPLIANCE PROJECT MANAGER.



## Lodi Energy Center Project Participant Committee

### Staff Report

AGENDA ITEM NO.: 11

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**Date:** January 12, 2015  
**To:** Lodi Energy Center Project Participant Committee  
**Subject:** Hill Brothers Chemical Company Agreement for Purchase of Anhydrous Ammonia – Lodi Energy Center (LEC) and Combustion Turbine (CT2)

---

#### Proposal

Approve a Multi-Task Materials and Supplies Purchase Agreement with Hill Brothers Chemical Company for an amount not-to-exceed \$800,000 over five years to be used for supply and delivery of anhydrous ammonia as needed at the LEC and CT2 Facilities.

#### Background

The LEC and CT2 facilities require the delivery of anhydrous ammonia for the operations and maintenance of the plant. Hill Brothers Chemical Company is a provider of these supplies. NCPA currently has in place with Hill Brothers a two year enabling agreement which will expire on February 4, 2015. Before the existing agreement was executed two years ago, these materials were competitively bid and Hill Brothers Chemical Company was the only responsive bidder. For that reason, NCPA currently has in place only the agreement with Hill Brothers and seeks to renew that agreement. NCPA is in the process of searching for other vendors who supply this product and will agree to its terms and conditions.

#### Fiscal Impact

Total cost of the agreement is not-to-exceed \$800,000 over five years to be used out of NCPA approved budgets as services are rendered. The vast majority of the product is needed for use at the LEC facility. Purchase orders referencing the terms and conditions of the Agreement will be issued following NCPA procurement policies and procedures.

#### 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.

#### Recommendation

Staff recommends that the PPC pass a motion approving the Multi-Task Materials and Supplies Purchase Agreement with Hill Brothers Chemical Company with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$800,000 over five years.

Respectfully submitted,

KEN SPEER  
Assistant General Manager  
Generation Services

Attachment: Multi-Task Materials and Supplies Purchase Agreement with Hill Brothers Chemical Company



**MULTI-TASK  
AGREEMENT FOR PURCHASE OF  
EQUIPMENT, MATERIALS AND SUPPLIES  
BETWEEN  
THE NORTHERN CALIFORNIA POWER AGENCY AND  
HILL BROTHERS CHEMICAL COMPANY**

This Agreement for Purchase of Equipment, Materials and Supplies ("Agreement") is entered into on \_\_\_\_\_, 2015 (the "Effective Date") between the NORTHERN CALIFORNIA POWER AGENCY, ("Agency"), a public joint powers agency, with offices located at 651 Commerce Drive, Roseville, CA, 95678-6420 and Hill Brothers Chemical Company, ("Supplier"), whose principal office is located at 3000 E. Birch Street, Suite 108, Brea, CA 92821 (together sometimes referred to as the "Parties").

**Section 1. SCOPE.** In accordance with the terms and conditions set forth in this Agreement, Supplier is willing to deliver the equipment, materials and supplies ("Goods") described in Exhibit A, attached hereto and incorporated herein to Agency's Project Site, DDP, located at 12745 N. Thornton Road, Lodi, CA 95242, when requested by the Agency. Supplier shall be responsible at its sole expense for delivering the Goods to Agency's Project Site and title shall not pass until the Agency accepts delivery at this Site. In the event of a conflict or inconsistency between the terms of this Agreement and Exhibit A, this Agreement shall prevail.

**Section 2. TERM OF AGREEMENT.** This Agreement shall begin upon Effective Date and shall end on the earlier of five (5) years after the Effective Date or when Supplier has provided to Agency the Goods described in Exhibit A.

**Section 3. REQUEST FOR GOODS.** At such time that Agency determines to have Supplier provide Goods under this Agreement, Agency shall issue a Purchase Order. The Purchase Order shall identify the specific Goods to be provided ("Requested Goods"), may include a not-to-exceed cap or monetary cap on the Requested Goods and all related expenditures authorized by that Purchase Order, and shall include a time by which the Requested Goods shall be delivered.

**Section 4. COMPENSATION.** Agency hereby agrees to pay Supplier for the Goods an amount not to exceed EIGHT HUNDRED THOUSAND DOLLARS (\$800,000.00) as total compensation under this Agreement, which includes all shipping, taxes (if applicable), insurance, delivery charges, and any other fees, costs or charges. This dollar amount is not a guarantee that Agency will pay that full amount to the Supplier, but is merely a limit of potential Agency expenditures under this Agreement.

**4.1 Invoices.** Supplier shall have ninety (90) days after the delivery of Goods to invoice Agency for all amounts due and outstanding under this Agreement. Supplier shall include the number of the Purchase Order which authorized the Goods for which Supplier is seeking payment. In the event Supplier fails to invoice Agency for all amounts due within such ninety (90) day period, Supplier waives its right to collect payment from Agency for such amounts. All invoices shall be submitted to:

Northern California Power Agency  
651 Commerce Drive  
Roseville, California 95678  
Attn: Accounts Payable

- 4.2 **Payment.** Agency shall pay all invoices within thirty (30) days of the receipt of any invoice for Goods satisfactorily received.
- 4.3 **Timing for Submittal of Final Invoice.** Supplier shall have ninety (90) days after delivery of the Requested Goods to submit its final invoice for the Requested Goods. In the event Supplier fails to submit an invoice to Agency for any amounts due within the ninety (90) day period, Supplier is deemed to have waived its right to collect its final payment for the Requested Goods from Agency.

**Section 5. INSURANCE REQUIREMENTS.** Before beginning any work under this Agreement, Supplier, at its own cost and expense, shall procure the types and amounts of insurance listed below for the period covered by the Agreement.

- 5.1 **Workers' Compensation.** If Supplier employs any person, Supplier shall maintain Statutory Workers' Compensation Insurance and Employer's Liability Insurance for any and all persons employed directly or indirectly by Supplier with limits of not less than one million dollars (\$1,000,000.00) per accident.
- 5.2 **Automobile Liability.** Supplier shall maintain automobile liability insurance for the term of this Agreement covering any loss or liability, including the cost of defense of any action, arising from the operation, maintenance or use of any vehicle, whether or not owned by the Supplier, on or off Agency premises. The policy shall provide a minimum limit of \$1,000,000 per each accident, with \$2,000,000 aggregate. This insurance shall provide contractual liability covering all motor vehicles and mobile equipment utilized in the transport of the Goods to the Agency's Project Site.
- 5.3 **Commercial General Liability (CGL).** Supplier shall maintain commercial general liability coverage covering Goods, including product liability, covering any loss or liability, including the cost of defense of any action, for bodily injury, death, personal injury and broad form property damage which may arise out of the operations of Supplier in regard to this Agreement with not less than \$1,000,000/\$2,000,000 aggregate for bodily injury and property damage, on an occurrence basis. No endorsement shall be attached limiting the coverage.
- 5.4 **General Liability/Umbrella Insurance.** The coverage amounts set forth above may be met by a combination of underlying and umbrella policies as long as in combination the limits equal or exceed those stated.
- 5.5 **Pollution Liability Insurance.** Supplier shall maintain environmental professional errors and omissions insurance in connection with this Agreement in an amount not less than one

million dollars (\$1,000,000). Any deductible or self-insured retention shall not exceed twenty-five thousand dollars (\$25,000) per claim.

## **5.6 All Policies Requirements.**

- 5.6.1 Verification of Coverage.** Prior to beginning any work under this Agreement, Supplier shall, at the sole option of the Agency, provide Agency with (1) a Certificate of Insurance that demonstrates compliance with all applicable insurance provisions contained herein and (2) policy endorsements to the automobile liability policy and the CGL policy adding the Northern California Power Agency as an Additional Insured and declaring such insurance primary in regard to work performed pursuant to this Agreement and that Agency's insurance is excess and non-contributing.
- 5.6.2 Notice of Reduction in or Cancellation of Coverage.** Supplier agrees to provide at least thirty (30) days prior written notice of any cancellation or reduction in scope or amount of the insurance required under this Agreement.
- 5.6.3 Waiver of Subrogation.** Supplier agrees to waive subrogation which any insurer of Supplier may acquire from Supplier by virtue of the payment of any loss. Supplier agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation.
- 5.6.4 Self-Insured Retention.** Supplier shall declare the amount of the self-insured retention to the Agency; the amount shall be not more than \$100,000.

**Section 6. WARRANTY.** In addition to any and all warranties provided or implied by law or public policy, or any other warranties provided by Supplier, Supplier warrants that all Goods are free from defects in design and workmanship; comply with applicable federal, state and local laws and regulations; are new, of good quality and workmanship, and free from defects; are suitably safe and sufficient for the purpose for which they are normally used; and are not subject to any liens or encumbrances. Supplier shall provide all Goods in accordance with all applicable engineering, construction and other codes and standards, in accordance with prudent electrical utility standards, and in accordance with the terms of this Agreement applicable to such Goods, all with the degree of high quality and workmanship expected from purveyors engaged in the practice of providing materials and supplies of a similar nature. Moreover, if, during the term of this Agreement (or during the one (1) year period following the term hereof, unless Supplier's warranty is for greater than one (1) year, in which case Supplier's warranty shall be applied), the Goods provided by Supplier under this Agreement fail due to defects in material and/or workmanship or other breach of this Agreement, Supplier shall, upon any reasonable written notice from Agency, replace or repair the same to Agency's satisfaction.

## **Section 7. INDEMNIFICATION AND SUPPLIER'S RESPONSIBILITIES.**

- 7.1 Effect of Insurance.** Agency's acceptance of insurance certificates and endorsements required under this Agreement does not relieve Supplier from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause

shall apply to any damages or claims for damages whether or not such insurance policies shall have been determined to apply. By execution of this Agreement, Supplier acknowledges and agrees to the provisions of this section and that it is a material element of consideration.

- 7.2 **Scope.** Supplier shall indemnify, defend with counsel reasonably acceptable to the Agency, and hold harmless the Agency, and its officials, commissioners, officers, employees, agents and volunteers from and against all losses, liabilities, claims, demands, suits, actions, damages, expenses, penalties, fines, costs (including without limitation costs and fees of litigation), judgments and causes of action of every nature arising out of or in connection with any acts or omissions by Supplier, its officers, officials, agents, and employees, except as caused by the sole or gross negligence of Agency. Notwithstanding, should this Agreement be construed as a construction agreement under Civil Code section 2783, then the exception referenced above shall also be for the active negligence of Agency.
- 7.3 **Transfer of Title.** Supplier shall be deemed to be in exclusive possession and control of the Goods and shall be responsible for any damages or injury caused thereby, including without limitation any spills, leaks, discharges or releases of any Goods, until Agency accepts delivery at its Site. For the purposes of this Agreement, such acceptance shall occur after Supplier or its agents complete transfer of the Goods into appropriate containers, machinery, storage tanks or other storage apparatus identified by NCPA. In the event a spill, leak, discharge or release requires notification to a federal, state or local regulatory agency, Supplier shall be responsible for all such notifications. Should Supplier be required to remedy or remove Goods as a result of a leak, spill, release or discharge of Goods into the environment at Agency's Site or elsewhere, Supplier agrees to remediate, remove or cleanup Agency's Site to a level sufficient to receive a "No Further Action Required" or "Closure Letter" from the appropriate regulatory authority.

## Section 8. **MISCELLANEOUS PROVISIONS.**

- 8.1 **Integration; Incorporation.** This Agreement, including all the exhibits attached hereto, represents the entire and integrated agreement between Agency and Supplier and supersedes all prior negotiations, representations, or agreements, either written or oral. All exhibits attached hereto are incorporated by reference herein.
- 8.2 **Counterparts.** This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one agreement.
- 8.3 **Compliance with Applicable Law.** Supplier shall comply with all applicable federal, state, and local laws, rules and regulations in regard to this Agreement and the Goods supplied hereunder.
- 8.4 **Construction of Agreement.** The Parties agree that the usual construction of an agreement against the drafting party shall not apply here.

- 8.5 **Supplier's Status.** Supplier is an independent contractor and not an employee or agent of NCPA.
- 8.6 **Non-assignment.** Supplier may not assign this Agreement without the prior written consent of NCPA, which shall not be unreasonably withheld.
- 8.7 **Governing Law.** This Agreement and all matters pertaining to it, shall be governed by the laws of the State of California and venue shall lie in Placer County or in the county to which the Goods are delivered.
- 8.8 **Compliance Certification.** Consistent with the Conditions of Certification issued by the California Energy Commission, Contractor shall, at the same time Contractor executes this Agreement, execute and provide to Agency Exhibit B and Exhibit C for any employees, agents or other representatives of Contractor who shall be present on site at NCPA's Lodi Energy Center, Lodi, California. During the term of this Agreement, Contractor shall keep the Certificates current.

The Parties have executed this Agreement as of the date signed by the Agency.

NORTHERN CALIFORNIA POWER AGENCY

HILL BROTHERS CHEMICAL COMPANY

Date: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
General Manager

\_\_\_\_\_  
JOHN PADILLA, JR., Regional Sales Manager

Attest:

\_\_\_\_\_  
Assistant Secretary of the Commission

Approved as to Form:

\_\_\_\_\_  
Assistant General Counsel

**EXHIBIT A  
PURCHASE LIST**

Hill Brothers Chemical Company ("Supplier") shall provide the following list of Goods to Agency including, without limitation:

Purchase and Delivery of R Grade Anhydrous Ammonia to the Lodi Energy Center and Lodi STIG locations.

Quantity	Package	Description	Unit Price	Unit
40,000 lb. Max	Ftl-Bulk	Anhydrous Ammonia, R-Grade	\$ 890.20	Ton
	Freight	Delivery (includes fuel surcharge)	\$ 423.36	Each
		Converted to delivered price/lb.	\$ 0.4556	Lb.

Pricing subject to industry wide increases/decreases; provided however, that Supplier shall provide 30 day advance written notification to Agency of any such changes.



**EXHIBIT B**

**CERTIFICATION**

**Affidavit of Compliance for Contractors**

I,

---

(Name of person signing affidavit)(Title)

do hereby certify that background investigations to ascertain the accuracy of the identity and employment history of all employees of

---

(Company name)

for contract work at:

LODI ENERGY CENTER, 12745 N. THORNTON ROAD, LODI, CA 95242

(Project name and location)

have been conducted as required by the California Energy Commission Decision for the above-named project.

---

(Signature of officer or agent)

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_.

THIS AFFIDAVIT OF COMPLIANCE SHALL BE APPENDED TO THE PROJECT SECURITY PLAN AND SHALL BE RETAINED AT ALL TIMES AT THE PROJECT SITE FOR REVIEW BY THE CALIFORNIA ENERGY COMMISSION COMPLIANCE PROJECT MANAGER.

EXHIBIT C

CERTIFICATION

Affidavit of Compliance for Hazardous Materials Transport Vendors

I, \_\_\_\_\_,

(Name of person signing affidavit)(Title)

do hereby certify that the below-named company has prepared and implemented security plans in conformity with 49 CFR 172.800, *et seq.*, as the same may be amended from time to time, and has conducted employee background investigations in conformity with 49 CFR 172, subparts A and B, as the same may be amended from time to time,

\_\_\_\_\_

(Company name)

for hazardous materials delivery to:

LODI ENERGY CENTER, 12745 N. THORNTON ROAD, LODI, CA 95242

(Project name and location)

as required by the California Energy Commission Decision for the above-named project.

\_\_\_\_\_

(Signature of officer or agent)

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_.

THIS AFFIDAVIT OF COMPLIANCE SHALL BE APPENDED TO THE PROJECT SECURITY PLAN AND SHALL BE RETAINED AT ALL TIMES AT THE PROJECT SITE FOR REVIEW BY THE CALIFORNIA ENERGY COMMISSION COMPLIANCE PROJECT MANAGER.



## **Lodi Energy Center Project Participant Committee**

### **Staff Report**

AGENDA ITEM NO.: 12

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**Date:** January 12, 2015  
**To:** Lodi Energy Center Project Participant Committee  
**Subject:** Process Innovations, Inc. Multi-Task Consulting Services Agreement for OSIsoft PI Software Maintenance Services – All NCPA Facilities

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#### Proposal

Approve a Multi-Task Consulting Services Agreement with Process Innovations, Inc. for an amount not to exceed Two Hundred Sixty Thousand Dollars (\$260,000) over five years, to be used on an as-needed basis for OSIsoft PI software maintenance services at all NCPA facilities.

#### Background

OSIsoft PI software maintenance services are required at various NCPA locations for the operation of the plants. Process Innovations, Inc. is a provider of these services. Process Innovations, Inc. installed the OSIsoft system at all NCPA facilities in 2010 and has assisted NCPA staff as necessary in maintaining the software since that time. NCPA currently has an agreement with Process Innovations, Inc. which will expire in March 2015. NCPA seeks to put this new five year enabling agreement in place to allow continued services from this vendor as needed.

#### Fiscal Impact

The total cost of the agreement will be not-to-exceed \$260,000 over the five year term to be used out of NCPA approved budgets as services are rendered. Purchase orders referencing the terms and conditions of the Agreement will be issued following NCPA procurement policies and procedures.

#### 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.

#### Recommendation

Staff recommends that the PPC pass a motion approving the Multi-Task Consulting Services Agreement with Process Innovations, Inc., with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$260,000 over five years.

Prepared by:

KEN SPEER  
Assistant General Manager  
Generation Services

Attachment: Multi-Task Consulting Services Agreement with Process Innovations, Inc.



**MULTI-TASK  
CONSULTING SERVICES AGREEMENT BETWEEN  
THE NORTHERN CALIFORNIA POWER AGENCY AND  
PROCESS INNOVATIONS, INC.**

This agreement for consulting services ("Agreement") is made by and between the Northern California Power Agency, a joint powers agency with its main office located at 651 Commerce Drive, Roseville, CA 95678-6420 ("Agency") and Process Innovations, Inc., a corporation with its office located at 2519 South Shields Street, #166, Fort Collins, CO 80526 ("Consultant") (together sometimes referred to as the "Parties") as of \_\_\_\_\_, 2015 ("Effective Date") in Roseville, California.

**Section 1. SERVICES.** Subject to the terms and conditions set forth in this Agreement, Consultant is willing to provide to Agency the range of services described in the Scope of Work attached hereto as Exhibit A and incorporated herein ("Services").

- 1.1 **Term of Agreement.** The term of this Agreement shall begin on the Effective Date and shall end when Consultant completes the Services, or no later than five (5) years from the date this Agreement was signed by Agency, whichever is shorter.
- 1.2 **Standard of Performance.** Consultant shall perform the Services in the manner and according to the standards observed by a competent practitioner of the profession in which Consultant is engaged and for which Consultant is providing the Services. Consultant represents that it is licensed, qualified and experienced to provide the Services set forth herein.
- 1.3 **Assignment of Personnel.** Consultant shall assign only competent personnel to perform the Services. In the event that Agency, in its sole discretion, at any time during the term of this Agreement, requests the reassignment of any such personnel, Consultant shall, immediately upon receiving written notice from Agency of such request, reassign such personnel.
- 1.4 **Request for Services.** At such time that Agency determines to use Consultant's Services under this Agreement, Agency shall issue a Purchase Order. The Purchase Order shall identify the specific services to be performed ("Requested Services"), may include a not-to-exceed monetary cap on Requested Services and expenditures authorized by that Purchase Order, and a time by which the Requested Services shall be completed.

**Section 2. COMPENSATION.** Agency hereby agrees to pay Consultant an amount **NOT TO EXCEED TWO HUNDRED SIXTY THOUSAND** dollars (\$260,000.00) for the Services, which shall include all fees, costs, expenses and other reimbursables, as set forth in Consultant's fee schedule, attached hereto and incorporated herein as Exhibit B. This dollar amount is not a guarantee that Agency will pay that full amount to the Consultant, but is merely a limit of potential Agency expenditures under this Agreement.

2.1 **Invoices.** Consultant shall submit invoices, not more often than once a month during the term of this Agreement, based on the cost for services performed and reimbursable costs incurred prior to the invoice date. Invoices shall contain the following information:

- The beginning and ending dates of the billing period;
- Services performed;
- The Purchase Order number authorizing the Requested Services;
- At Agency's option, the total number of hours of work performed under the Agreement by Consultant and each employee, agent, and subcontractor of Consultant performing services hereunder.
- At Agency's option, for each work item in each task, a copy of the applicable time entries showing the name of the person doing the work, the hours spent by each person, a brief description of the work, and each reimbursable expense, with supporting documentation;

Invoices shall be sent to:

Northern California Power Agency  
651 Commerce Drive  
Roseville, California 95678  
Attn: Accounts Payable

2.2 **Monthly Payment.** Agency shall make monthly payments, based on invoices received, for services satisfactorily performed, and for authorized reimbursable costs incurred. Agency shall have thirty (30) days from the receipt of an invoice that complies with all of the requirements above to pay Consultant.

2.3 **Payment of Taxes.** Consultant is solely responsible for the payment of all federal, state and local taxes, including employment taxes, incurred under this Agreement.

2.4 **Authorization to Perform Services.** The Consultant is not authorized to perform any services or incur any costs whatsoever under the terms of this Agreement until receipt of a Purchase Order from the Contract Administrator.

2.5 **Timing for Submittal of Final Invoice.** Consultant shall have ninety (90) days after completion of the Requested Services to submit its final invoice for the Requested Services. In the event Consultant fails to submit an invoice to Agency for any amounts due within the ninety (90) day period, Consultant is deemed to have waived its right to collect its final payment for the Requested Services from Agency.

**Section 3. FACILITIES AND EQUIPMENT.** Except as set forth herein, Consultant shall, at its sole cost and expense, provide all facilities and equipment that may be necessary to perform the Services.

**Section 4. INSURANCE REQUIREMENTS.** Before beginning any work under this Agreement, Consultant, at its own cost and expense, shall procure the types and amounts of insurance listed below and shall maintain the types and amounts of insurance listed below for the period covered by this Agreement.

**4.1 Workers' Compensation.** If Consultant employs any person, Consultant shall maintain Statutory Workers' Compensation Insurance and Employer's Liability Insurance for any and all persons employed directly or indirectly by Consultant with limits of not less than one million dollars (\$1,000,000.00) per accident.

**4.2 Commercial General and Automobile Liability Insurance.**

**4.2.1 Commercial General Insurance.** Consultant shall maintain commercial general liability insurance for the term of this Agreement, including products liability, covering any loss or liability, including the cost of defense of any action, for bodily injury, death, personal injury and broad form property damage which may arise out of the operations of Consultant. The policy shall provide a minimum limit of \$1,000,000 per occurrence/\$2,000,000 aggregate. Commercial general coverage shall be at least as broad as ISO Commercial General Liability form CG 0001 (current edition) on "an occurrence" basis covering comprehensive General Liability, with a self-insured retention or deductible of no more than \$100,000. No endorsement shall be attached limiting the coverage.

**4.2.2 Automobile Liability.** Consultant shall maintain automobile liability insurance form CA 0001 (current edition) for the term of this Agreement covering any loss or liability, including the cost of defense of any action, arising from the operation, maintenance or use of any vehicle (symbol 1), whether or not owned by the Consultant, on or off Agency premises. The policy shall provide a minimum limit of \$1,000,000 per each accident, with a self-insured retention or deductible of no more than \$100,000. This insurance shall provide contractual liability covering all motor vehicles and mobile equipment to the extent coverage may be excluded from general liability insurance.

**4.2.3 General Liability/Umbrella Insurance.** The coverage amounts set forth above may be met by a combination of underlying and umbrella policies as long as in combination the limits equal or exceed those stated.

**4.3 Professional Liability Insurance.** Consultant shall maintain professional liability insurance appropriate to Consultant's profession performing work in connection with this Agreement in an amount not less than one million dollars (\$1,000,000.00) and two million dollars (\$2,000,000) aggregate covering the Consultant's errors and omissions. Any deductible or self-insured retention shall not exceed two hundred fifty thousand dollars (\$250,000) per claim.

#### 4.4 **All Policies Requirements.**

4.4.1 **Verification of coverage.** Prior to beginning any work under this Agreement, Contractor shall provide Agency with (1) a Certificate of Insurance that demonstrates compliance with all applicable insurance provisions contained herein and (2) policy endorsements to the policies referenced in Section 4.2, adding the Agency as an additional insured and declaring such insurance primary in regard to work performed pursuant to this Agreement.

4.4.2 **Notice of Reduction in or Cancellation of Coverage.** Consultant shall provide at least thirty (30) days prior written notice to Agency of any reduction in scope or amount, cancellation, or modification adverse to Agency of the policies referenced in Section 4.

4.4.3 **Higher Limits.** If Consultant maintains higher limits than the minimums specified herein, the Agency shall be entitled to coverage for the higher limits maintained by the Consultant.

4.5 **Waiver of Subrogation.** Consultant agrees to waive subrogation which any insurer of Consultant may acquire from Consultant by virtue of the payment of any loss. Consultant agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of Agency for all work performed by Consultant, its employees, agents and subcontractors.

4.6 **Consultant's Obligation.** Consultant shall be solely responsible for ensuring that all equipment, vehicles and other items utilized in the performance of Services are operated, provided or otherwise utilized in a manner that ensures they are and remain covered by the policies referenced in Section 4 during this Agreement. Consultant shall also ensure that all workers involved in the provision of Services are properly classified as employees, agents or independent contractors and are and remain covered by any and all workers' compensation insurance required by applicable law during this Agreement.

#### **Section 5. INDEMNIFICATION AND CONSULTANT'S RESPONSIBILITIES.**

5.1 **Effect of Insurance.** Agency's acceptance of insurance certificates and endorsements required under this Agreement does not relieve Consultant from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply to any damages or claims for damages whether or not such insurance policies shall have been determined to apply. By execution of this Agreement, Consultant acknowledges and agrees to the provisions of this Section and that it is a material element of consideration.

- 5.2 **Scope.** Consultant shall indemnify, defend with counsel reasonably acceptable to the Agency, and hold harmless the Agency and its officials, commissioners, officers, employees, and volunteers from and against any and all claims that arise out of, pertain to or relate to the negligence, recklessness or willful misconduct of the Consultant in its performance of Services under this Agreement. Consultant shall bear all losses, costs, damages, expense and liability of every kind, nature and description that arise out of, pertain to, or relate to such claims, whether directly or indirectly ("Liabilities"). Such obligations to defend, hold harmless and indemnify the Agency shall not apply to the extent that such Liabilities are caused by the sole negligence, active negligence, or willful misconduct of the Agency.

**Section 6. STATUS OF CONSULTANT.**

- 6.1 **Independent Contractor.** Consultant is an independent contractor and not an employee of Agency. Agency shall have the right to control Consultant only insofar as the results of Consultant's Services and assignment of personnel pursuant to Section 1; otherwise, Agency shall not have the right to control the means by which Consultant accomplishes Services rendered pursuant to this Agreement. Notwithstanding any other Agency, state, or federal policy, rule, regulation, law, or ordinance to the contrary, Consultant and any of its employees, agents, and subcontractors providing services under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any and all claims to, any compensation, benefit, or any incident of employment by Agency, including but not limited to eligibility to enroll in the California Public Employees Retirement System (PERS) as an employee of Agency and entitlement to any contribution to be paid by Agency for employer contributions and/or employee contributions for PERS benefits.

Consultant shall indemnify, defend, and hold harmless Agency for the payment of any employee and/or employer contributions for PERS benefits on behalf of Consultant or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of Agency. Consultant and Agency acknowledge and agree that compensation paid by Agency to Consultant under this Agreement is based upon Consultant's estimated costs of providing the Services, including salaries and benefits of employees, agents and subcontractors of Consultant.

- 6.2 **Consultant Not Agent.** Except as Agency may specify in writing, Consultant shall have no authority, express or implied, to act on behalf of Agency in any capacity whatsoever as an agent. Consultant shall have no authority, express or implied, pursuant to this Agreement to bind Agency to any obligation whatsoever.
- 6.3 **Assignment and Subcontracting.** This Agreement contemplates personal performance by Consultant and is based upon a determination of Consultant's unique professional competence, experience, and specialized professional knowledge. A substantial inducement to Agency for entering into this Agreement was and is the personal reputation



and competence of Consultant. Consultant may not assign this Agreement or any interest therein without the prior written approval of the Agency. Consultant shall not subcontract any portion of the performance contemplated and provided for herein, other than to the subcontractors identified in Exhibit A, without prior written approval of the Agency. Where written approval is granted by the Agency, Consultant shall supervise all work subcontracted by Consultant in performing the services and shall be responsible for all work performed by a subcontractor as if Consultant itself had performed such work. The subcontracting of any work to subcontractors shall not relieve Consultant from any of its obligations under this Agreement with respect to the services and Consultant is obligated to ensure that any and all subcontractors performing any services shall be fully insured in all respects and to the same extent as set forth under Section 4, to Agency's satisfaction.

- 6.4 **Certification as to California Energy Commission.** If requested by the Agency, Consultant shall, at the same time it executes this Agreement, execute Exhibit C.

**Section 7. LEGAL REQUIREMENTS.**

- 7.1 **Governing Law.** The laws of the State of California shall govern this Agreement.
- 7.2 **Compliance with Applicable Laws.** Consultant and its subcontractors and agents, if any, shall comply with all laws applicable to the performance of the work hereunder.
- 7.3 **Licenses and Permits.** Consultant represents and warrants to Agency that Consultant and its employees, agents, and subcontractors (if any) have and will maintain at their sole expense during the term of this Agreement all licenses, permits, qualifications, and approvals of whatever nature that are legally required to practice their respective professions.
- 7.4 **Work Requiring Payment of Prevailing Wages.** If applicable, in accordance with California Labor Code Section 1771, not less than the general prevailing rate of per diem wages for work of a similar character in the locality in which these services are to be performed, and not less than the general prevailing rate of per diem wages for holiday and overtime work fixed as provided in the California Labor Code shall be paid to all workers engaged in performing the services under this Agreement.

**Section 8. TERMINATION AND MODIFICATION.**

- 8.1 **Termination.** Agency may cancel this Agreement at any time and without cause upon ten (10) days prior written notice to Consultant.

In the event of termination, Consultant shall be entitled to compensation for Services satisfactorily completed as of the effective date of termination; Agency, however, may condition payment of such compensation upon Consultant delivering to Agency any or all records or documents, as referenced in Section 9.1 hereof.

- 8.2 **Amendments.** The Parties may amend this Agreement only by a writing signed by all the Parties.
- 8.3 **Survival.** All obligations arising prior to the termination of this Agreement and all provisions of this Agreement allocating liability between Agency and Consultant shall survive the termination of this Agreement.
- 8.4 **Options upon Breach by Consultant.** If Consultant materially breaches any of the terms of this Agreement, including but not limited to those set forth in Section 4, Agency's remedies shall include, but not be limited to, the following:
- 8.4.1 Immediately terminate the Agreement;
  - 8.4.2 Retain the plans, specifications, drawings, reports, design documents, and any other work product prepared by Consultant pursuant to this Agreement;
  - 8.4.3 Retain a different consultant to complete the Services not finished by Consultant; and/or
  - 8.4.4 Charge Consultant the difference between the costs to complete the Services that is unfinished at the time of breach and the amount that Agency would have paid Consultant pursuant hereto if Consultant had completed the Services.

**Section 9. KEEPING AND STATUS OF RECORDS.**

- 9.1 **Records Created as Part of Consultant's Performance.** All reports, data, maps, models, charts, studies, surveys, photographs, memoranda, plans, studies, specifications, records, files, or any other documents or materials, in electronic or any other form, that Consultant prepares or obtains pursuant to this Agreement and that relate to the matters covered hereunder shall be the property of the Agency. Consultant hereby agrees to deliver those documents to the Agency upon termination of the Agreement. Agency and Consultant agree that, unless approved by Agency in writing, Consultant shall not release to any non-parties to this Agreement any data, plans, specifications, reports and other documents.
- 9.2 **Consultant's Books and Records.** Consultant shall maintain any and all records or other documents evidencing or relating to charges for Services or expenditures and disbursements charged to the Agency under this Agreement for a minimum of three (3) years, or for any longer period required by law, from the date of final payment to the Consultant to this Agreement.
- 9.3 **Inspection and Audit of Records.** Any records or documents that this Agreement requires Consultant to maintain shall be made available for inspection, audit, and/or

copying at any time during regular business hours, upon oral or written request of the Agency. Under California Government Code Section 8546.7, if the amount of public funds expended under this Agreement exceeds ten thousand dollars (\$10,000.00), the Agreement shall be subject to the examination and audit of the State Auditor, at the request of Agency or as part of any audit of the Agency, for a period of three (3) years after final payment under the Agreement.

#### **9.4 Confidential Information and Disclosure.**

**9.4.1 Confidential Information.** The term "Confidential Information", as used herein, shall mean any and all confidential, proprietary, or trade secret information, whether written, recorded, electronic, oral or otherwise, where the Confidential Information is made available in a tangible medium of expression and marked in a prominent location as confidential, proprietary and/or trade secret information. Confidential Information shall not include information that: (a) was already known to the Receiving Party or is otherwise a matter of public knowledge, (b) was disclosed to Receiving Party by a third party without violating any confidentiality agreement, (c) was independently developed by Receiving Party without reverse engineering, as evidenced by written records thereof, or (d) was not marked as confidential Information in accordance with this section.

**9.4.2 Non-Disclosure of Confidential Information.** During the term of this Agreement, either party may disclose ("The Disclosing Party") confidential Information to the other party ("the Receiving Party"). The Receiving Party: (a) shall hold the Disclosing Party's Confidential Information in confidence; and (b) shall take all reasonable steps to prevent any unauthorized possession, use, copying, transfer or disclosure of such Confidential Information.

**9.4.3 Permitted Disclosure.** Notwithstanding the foregoing, the following disclosures of Confidential Information are allowed. Receiving Party shall endeavor to provide prior written notice to Disclosing Party of any permitted disclosure made pursuant to Section 9.4.3.2 or 9.4.3.3. Disclosing Party may seek a protective order, including without limitation, a temporary restraining order to prevent or contest such permitted disclosure; provided, however, that Disclosing Party shall seek such remedies at its sole expense. Neither party shall have any liability for such permitted disclosures:

**9.4.3.1** Disclosure to employees, agents, consultants, contractors, subcontractors or other representatives of Receiving Party that have a need to know in connection with this Agreement.

**9.4.3.2** Disclosure in response to a valid order of a court, government or regulatory agency or as may otherwise be required by law; and

9.4.3.3 Disclosure by Agency in response to a request pursuant to the California Public Records Act.

9.4.4 **Handling of Confidential Information.** Conclusion of Agreement. Receiving Party shall return to Disclosing Party or destroy Confidential Information (including all copies thereof) upon termination of this Agreement, if requested by Disclosing Party in writing. Notwithstanding the foregoing, the Receiving Party may retain copies of such Confidential Information, subject to the confidentiality provisions of this Agreement: (a) for archival purposes in its computer system; (b) in its legal department files; and (c) in files of Receiving Party's representatives where such copies are necessary to comply with applicable law. Party shall not disclose the Disclosing Party's Information to any person other than those of the Receiving Party's employees, agents, consultants, contractors and subcontractors who have a need to know in connection with this Agreement.

**Section 10 MISCELLANEOUS PROVISIONS.**

- 10.1 **Attorneys' Fees.** If a party to this Agreement brings any action, including an action for declaratory relief, to enforce or interpret the provision of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees in addition to any other relief to which that party may be entitled. The court may set such fees in the same action or in a separate action brought for that purpose.
- 10.2 **Venue.** In the event that either party brings any action against the other under this Agreement, the Parties agree that trial of such action shall be vested exclusively in the state courts of California in the County of Placer or in the United States District Court for the Eastern District of California.
- 10.3 **Severability.** If a court of competent jurisdiction finds or rules that any provision of this Agreement is invalid, void, or unenforceable, the provisions of this Agreement not so adjudged shall remain in full force and effect. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.
- 10.4 **No Implied Waiver of Breach.** The waiver of any breach of a specific provision of this Agreement does not constitute a waiver of any other breach of that term or any other term of this Agreement.
- 10.5 **Successors and Assigns.** The provisions of this Agreement shall inure to the benefit of and shall apply to and bind the successors and assigns of the Parties.
- 10.6 **Conflict of Interest.** Consultant may serve other clients, but none whose activities within the corporate limits of Agency or whose business, regardless of location, would place

Consultant in a "conflict of interest," as that term is defined in the Political Reform Act, codified at California Government Code Section 81000 *et seq.*

Consultant shall not employ any Agency official in the work performed pursuant to this Agreement. No officer or employee of Agency shall have any financial interest in this Agreement that would violate California Government Code Sections 1090 *et seq.*

- 10.7 **Contract Administrator.** This Agreement shall be administered by Ken Speer, Assistant General Manager, or his/her designee, who shall act as the Agency's representative. All correspondence shall be directed to or through the representative

- 10.8 **Notices.** Any written notice to Consultant shall be sent to:

Process Innovations, Inc.  
Attention: Joe Devine  
2519 South Shields Street, #166  
Fort Collins, CO 80526

Any written notice to Agency shall be sent to:

James H. Pope  
General Manager  
Northern California Power Agency  
651 Commerce Drive  
Roseville, CA 95678

With a copy to:

Michael F. Dean  
General Counsel  
Northern California Power Agency  
Meyers Nave  
555 Capitol Mall, Suite 1200  
Sacramento, CA 95814

- 10.9 **Professional Seal.** Where applicable in the determination of the Agency, the first page of a technical report, first page of design specifications, and each page of construction drawings shall be stamped/sealed and signed by the licensed professional responsible for the report/design preparation.

- 10.10 **Integration; Incorporation.** This Agreement, including all the exhibits attached hereto, represents the entire and integrated agreement between Agency and Consultant and

supersedes all prior negotiations, representations, or agreements, either written or oral. All exhibits attached hereto are incorporated by reference herein.

- 10.11 **Alternative Dispute Resolution.** If any dispute arises between the Parties that cannot be settled after engaging in good faith negotiations, Agency and Consultant agree to resolve the dispute in accordance with the following:
- 10.11.1 Each party shall designate a senior management or executive level representative to negotiate any dispute;
  - 10.11.2 The representatives shall attempt, through good faith negotiations, to resolve the dispute by any means within their authority.
  - 10.11.3 If the issue remains unresolved after fifteen (15) days of good faith negotiations, the Parties shall attempt to resolve the disagreement by negotiation between legal counsel. If the above process fails, the Parties shall resolve any remaining disputes through mediation to expedite the resolution of the dispute.
  - 10.11.4 The mediation process shall provide for the selection within fifteen (15) days by both Parties of a disinterested third person as mediator, shall be commenced within thirty (30) days and shall be concluded within fifteen (15) days from the commencement of the mediation.
  - 10.11.5 The Parties shall equally bear the costs of any third party in any alternative dispute resolution process.
  - 10.11.6 The alternative dispute resolution process is a material condition to this Agreement and must be exhausted as an administrative prior to either Party initiating legal action. This alternative dispute resolution process is not intended to nor shall be construed to change the time periods for filing a claim or action specified by Government Code §§ 900 *et seq.*
- 10.12 **Controlling Provisions.** In the case of any conflict between the terms of this Agreement and the Exhibits hereto, and Consultant's Proposal (if any), the Agreement shall control. In the case of any conflict between the Exhibits hereto and the Consultant's Proposal, the Exhibits shall control.
- 10.13 **Counterparts.** This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one agreement.
- 10.14 **Construction of Agreement.** Each party hereto has had an equivalent opportunity to participate in the drafting of the Agreement and/or to consult with legal counsel. Therefore, the usual construction of an agreement against the drafting party shall not apply hereto.

10.15 **No Third Party Beneficiaries.** This Agreement is made solely for the benefit of the parties hereto, with no intent to benefit any non-signator third parties.

The Parties have executed this Agreement as of the date signed by the Agency.

NORTHERN CALIFORNIA POWER AGENCY

PROCESS INNOVATIONS, INC.

Date\_\_\_\_\_

Date\_\_\_\_\_

\_\_\_\_\_  
Randy S. Howard, General Manager

\_\_\_\_\_  
Joe Devine, President

Attest:

\_\_\_\_\_  
Assistant Secretary of the Commission

Approved as to Form:

\_\_\_\_\_  
Assistant General Counsel

## EXHIBIT A

### SCOPE OF SERVICES

Process Innovations, Inc. ("Consultant") shall provide OSIsoft PI Software maintenance services as requested by the Northern California Power Agency ("Agency").

Services to include, but not be limited to the following:

- Provide OSIsoft Software Support - Support OSI soft software on Agency supplied server and interface hardware. This software will be prepared to accept the connections from all Agency data sources.
- Provide Onsite Client Tool Training - This task will involve providing Process Innovations client tool training. Ideally each participant should have their own computer for training as the class involves many hands-on exercises to leverage acquired data to perform real time evaluations. Develop some base reports and graphics in the class to provide a foundation for further development.
- Provide Value Added Applications - This task will involve the development of value added applications and features. This will include report building and calculated tag development.
- Design Diagrams - Design and provide detailed architectural network diagrams and review with NCPA for approval (Diagrams shall include, but not limited to, detailed specifications of all network connections, protocols, addresses, ports, etc.)
- Provide Diagrams - Provide final ("As Built") architectural network diagrams and review with NCPA for approval
- Compliance - Ensure all network modifications and implementations meet North American Electric Reliability Corporation (NERC) reliability standards



## EXHIBIT B

### COMPENSATION SCHEDULE AND HOURLY FEES

Compensation for all tasks, including hourly fees and expenses, shall not exceed amount as set forth in Section 2 of this Agreement. The hourly rates and or compensation break down and an estimated amount of expenses is as follows:

	Hourly Rates			
	Onsite Consulting Services	Offsite (Remote) Services	Travel Time	Onsite Training
Principal Engineer/Consultant	\$ 230	\$ 180	\$ 150	\$ 300
Sr. Application Consultant	\$ 210	\$ 165	\$ 135	\$ 275
Application Engineer	\$ 150	\$ 125	\$ 75	\$ 250

**Notes:**

*Billing is in hourly increments.*

*Travel and living expenses are billed at cost.*

*Meals are billed on a per diem basis according to the IRS High/Low method.*

NOTE: As a public agency, NCPA shall not reimburse Consultant for travel, food and related costs in excess of those permitted by the Internal Revenue Service.

EXHIBIT C

CERTIFICATION

Affidavit of Compliance for Consultants

I,

---

(Name of person signing affidavit)(Title)

do hereby certify that background investigations to ascertain the accuracy of the identity and employment history of all employees of

---

(Company name)

for contract work at

LODI ENERGY CENTER, 12745 N. THORNTON ROAD, LODI, CA 95242

(Project name and location)

have been conducted as required by the California Energy Commission Decision for the above-named project.

---

(Signature of officer or agent)

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_.

THIS AFFIDAVIT OF COMPLIANCE SHALL BE APPENDED TO THE PROJECT SECURITY PLAN AND SHALL BE RETAINED AT ALL TIMES AT THE PROJECT SITE FOR REVIEW BY THE CALIFORNIA ENERGY COMMISSION COMPLIANCE PROJECT MANAGER.



12745 N. Thornton Road  
Lodi, CA 95242

phone (209) 333-6370  
fax (209) 333-6374  
web www.ncpa.com

## Lodi Energy Center Project Participant Committee

### Staff Report

AGENDA ITEM NO.: 13

**Date:** January 7, 2015  
**To:** Lodi Energy Center Project Participant Committee  
**Subject:** Revision to Exhibit 5 of PMOA Agreement Schedule 1.00

#### Proposal

Adopt revision of PMOA Exhibit 5 of Schedule 1.00 for revised 2015 CAISO Grid Management Charge (GMC) rates related to the Market Services and System Operation Charge.

#### Background

The CAISO recovers its cost through allocation among three defined service categories that are billed based on five different grid management charges and fees assessed to market participants. The CAISO recently completed its 2015 budget stakeholder process based on a slightly increased 2015 revenue requirement. Two GMC rates were adjusted to account for the revised budgeted costs indicated in the table below. These revised annual GMC rates became effective on January 1, 2015.

Charge Code	CAISO GMC Charge Code Name	2014 Rate	2015 Rate	Change	Unit of Measure
4560	GMC - Market Services Charge	\$0.0940	\$0.0876	(\$0.0064)	Metered Energy (MWh)
4561	GMC - System Operation Charge	\$0.2890	\$0.2978	\$0.0088	Awarded Schedules (MW)
		\$0.3830	\$0.3854	\$0.0024	

The market services charge is assessed to the LEC Project based on awarded CAISO energy and ancillary service schedules, while the system operations charge is assessed to the Project based on metered energy. NCPA includes these GMC rates into the Economic Operations bid calculation indicated in Agreement Schedule 1.00 under the defined term 'CAISO GMC' in order to internalize these costs in the awarded energy bid amount.

#### Fiscal Impact

There is no fiscal impact on an overall basis to Participants as these costs will be included in the Economic Operations bid calculation in order to internalize these CAISO GMC costs.

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.

Recommendation

NCPA staff recommends that the PPC pass a motion authorizing adopting the revised PMOA Exhibit 5 of Schedule 1.00 for revised 2015 CAISO Grid Management Charge (GMC) rates.

Prepared by:

ROBERT W. CARACRISTI  
Manager  
Information Services and Power Settlements

Attachment: (1)

- PMOA Exhibit 5 Schedule 1.00

## EXHIBIT 5

### CAISO Charges

The CAISO Charges component used to determine Economic Operations is calculated as shown in the table below:

<b>Market Charge Code</b>	<b>CAISO Charge Code Name</b>	<b><u>2014</u> <u>2015</u> Rate</b>	<b>Unit of Measure</b>
4560	GMC - Market Services Charge	\$ <del>0.0940</del> <u>0.0876</u>	per MWh
4561	GMC - System Operation Charge	\$ <del>0.2890</del> <u>0.2978</u>	per MWh
Total GMC Amount		<u>\$ <del>0.3830</del> <u>0.3854</u></u>	- per MWh

Schedule 1.00 – Exhibit 5

LEC Project Management and Operations Agreement

Effective 8/11/2014 ~~– Draft 1-7-2015~~



## **Lodi Energy Center Project Participant Committee Staff Report**

AGENDA ITEM NO.: \_\_\_\_

---

**Date:** January 7, 2015  
**To:** Lodi Energy Center Project Participant Committee  
**Subject:** FY 14 Annual Billing Settlements

---

### Proposal

The FY 14 Annual Billing Settlements for the period July 1, 2013 through June 30, 2014 is presented for approval and for recommendation to the Agency Commission for approval.

### Background

The Annual Cost to Participants was approximately \$92.5 million or 1.6% over budget primarily due to increased maintenance costs. Third Party Revenues were approximately \$61.0 million comprised primarily of project energy sales to the ISO. When combined, the Net Annual Cost to Participants was approximately \$31.5 million.

As a result of the Independent System Operator (ISO) shortened settlement process, ISO charges and energy and ancillary services sales no longer play a material role, if any at all, in the Agency's Annual Billing Settlement process. Rather, these categories are settled up concurrently with ISO processes in the Agency's All Resource Bill (ARB) monthly process.

This year's Collections from participants totaled approximately \$31.0 million. The net unfunded cost due from LEC participants at fiscal year-end was \$530,960 or 1.7% of collections.

### Fiscal Impact

Upon approval by this Committee and the Agency Commission the amount of \$530,960 will be billed to the LEC project participants. NCPA member amounts will be combined with the Agency's annual billing settlements. Non-members will be billed on the February ARB.

### 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 of the California Environmental Quality Act. No environmental review is necessary.

Recommendation

NCPA staff recommends that the PPC pass a motion to approve the FY 2014 Annual Billing Settlements and to recommend that the NCPA Commission also approve the Settlements.

Respectfully submitted,



DONNA STEVENER  
Assistant General Manager/CFO  
Administrative Services/Finance

Prepared by:



SONDRA AINSWORTH  
Treasurer-Controller

Attachments:

1. Settlement Summary
  2. Allocation of Project Costs
  3. Budget Settlement Analysis
-

LODI ENERGY CENTER  
Billing Settlement Summary  
FY 2014

	Total	Azusa	BART	Biggs	CDWR	Gridley	Healdsburg	Lodi	Lompoc	MID	Plumas-Sierra	PWRPA	SVP	Ukiah
Total All Resources Bill Collections	\$ 30,969,093	\$ 910,439	\$ 2,106,987	\$ 87,516	\$ 10,136,336	\$ 641,655	\$ 540,863	\$ 3,102,752	\$ 665,226	\$ 149,730	\$ 256,751	\$ 3,483,759	\$ 8,302,809	\$ 584,270
Net Project Costs	\$ 31,500,053	\$ 924,820	\$ 2,141,060	\$ 88,899	\$ 10,320,666	\$ 651,796	\$ 549,344	\$ 3,151,797	\$ 675,736	\$ 208,361	\$ 260,806	\$ 3,497,532	\$ 8,435,745	\$ 593,489
Net Unfunded Costs	\$ (530,960)	\$ (14,381)	\$ (34,073)	\$ (1,383)	\$ (184,330)	\$ (10,141)	\$ (8,481)	\$ (49,045)	\$ (10,510)	\$ (58,631)	\$ (4,055)	\$ (13,773)	\$ (132,936)	\$ (9,219)



**LODI ENERGY CENTER**  
Allocation of Project Actual Costs  
FY 2014

		Allocated by	Total	Azusa	BART	Biggs	CDWR	Gridley	Healdsburg	Lodi	Lompoc	MID	Plumas-Sierra	PWRPA	SVP	Ukiah
<b>ALLOCATION PERCENTAGES:</b>																
Generation Entitlement Share	GES		100.0000%	2.7857%	6.6000%	0.2679%	33.5000%	1.9643%	1.6428%	9.5000%	2.0357%	10.7143%	0.7857%	2.6679%	25.7500%	1.7857%
Indenture Cost Share A	ICS A		100.0000%	4.9936%	11.8310%	0.4802%	0.0000%	3.5212%	2.9448%	17.0295%	3.6491%	0.0000%	1.4084%	4.7824%	46.1588%	3.2010%
Indenture Cost Share B	ICS B		100.0000%	0.000%	0.000%	0.000%	100.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
<b>PROJECTED MWH</b>			1,241,899	34,602	81,979	3,326	416,108	24,389	20,397	117,954	25,276	133,084	9,755	33,139	319,717	22,172
<b>PROJECT COSTS:</b>																
Fuel Cost	GES	\$	46,150,510	\$ 1,285,615	\$ 3,045,934	\$ 123,637	\$ 15,460,421	\$ 906,534	\$ 758,161	\$ 4,384,298	\$ 939,486	\$ 4,944,704	\$ 362,605	\$ 1,231,249	\$ 11,883,756	\$ 824,110
Labor	GES	\$	4,630,807	\$ 129,000	\$ 305,633	\$ 12,406	\$ 1,551,320	\$ 90,963	\$ 76,075	\$ 439,927	\$ 94,269	\$ 496,159	\$ 36,384	\$ 123,545	\$ 1,192,433	\$ 82,692
Operations	GES	\$	1,144,338	\$ 31,878	\$ 75,526	\$ 3,066	\$ 383,353	\$ 22,478	\$ 18,799	\$ 108,712	\$ 23,295	\$ 122,608	\$ 8,991	\$ 30,530	\$ 294,667	\$ 20,434
Maintenance	GES	\$	5,266,481	\$ 146,708	\$ 347,588	\$ 14,109	\$ 1,764,271	\$ 103,449	\$ 86,518	\$ 500,316	\$ 107,210	\$ 564,267	\$ 41,379	\$ 140,504	\$ 1,356,119	\$ 94,044
O&M Administration	GES	\$	1,220,237	\$ 33,992	\$ 80,536	\$ 3,269	\$ 408,779	\$ 23,969	\$ 20,046	\$ 115,923	\$ 24,840	\$ 130,740	\$ 9,587	\$ 32,555	\$ 314,211	\$ 21,790
Mandatory Costs	GES	\$	519,687	\$ 14,477	\$ 34,299	\$ 1,392	\$ 174,095	\$ 10,208	\$ 8,537	\$ 49,370	\$ 10,579	\$ 55,681	\$ 4,083	\$ 13,865	\$ 133,819	\$ 9,280
Inventory Stock	GES	\$	180,577	\$ 5,030	\$ 11,918	\$ 484	\$ 60,493	\$ 3,547	\$ 2,967	\$ 17,155	\$ 3,676	\$ 19,348	\$ 1,419	\$ 4,818	\$ 46,499	\$ 3,225
O&M and Capital Projects Cost	GES	\$	1,230,468	\$ 34,277	\$ 81,211	\$ 3,296	\$ 412,207	\$ 24,170	\$ 20,214	\$ 116,894	\$ 25,049	\$ 131,836	\$ 9,668	\$ 32,828	\$ 316,846	\$ 21,972
AB32 GHG Offsets		\$	7,460	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,780	\$ 775	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,905
Other Costs	GES	\$	1,644,904	\$ 45,822	\$ 108,564	\$ 4,407	\$ 551,043	\$ 32,311	\$ 27,022	\$ 156,266	\$ 33,485	\$ 176,240	\$ 12,924	\$ 43,884	\$ 423,563	\$ 29,373
Transmission (CAISO)		\$	1,141,140	\$ 39,530	\$ 35,860	\$ 3,777	\$ 475,497	\$ 27,529	\$ 22,330	\$ 131,509	\$ 28,891	\$ 58,214	\$ 11,151	\$ 45,295	\$ 237,670	\$ 23,887
<b>Debt Service Cost:</b>																
Indenture Group A Cost	ICS A	\$	21,231,053	\$ 1,060,194	\$ 2,511,846	\$ 101,952	\$ -	\$ 747,588	\$ 625,212	\$ 3,615,542	\$ 774,742	\$ -	\$ 299,018	\$ 1,015,354	\$ 9,799,999	\$ 679,606
BAB's Subsidy (Group A)	ICS A	\$	(4,194,159)	\$ (209,440)	\$ (496,211)	\$ (20,140)	\$ -	\$ (147,685)	\$ (123,510)	\$ (714,244)	\$ (153,049)	\$ -	\$ (59,071)	\$ (200,581)	\$ (1,935,973)	\$ (134,255)
Debt and Trustee Fees (Group A)	ICS A	\$	23,638	\$ 1,180	\$ 2,797	\$ 114	\$ -	\$ 832	\$ 696	\$ 4,025	\$ 863	\$ -	\$ 333	\$ 1,130	\$ 10,911	\$ 757
Indenture Group B Cost	ICS B	\$	11,416,304	\$ -	\$ -	\$ -	\$ 11,416,304	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
BAB's Subsidy (Group B)	ICS B	\$	(2,015,392)	\$ -	\$ -	\$ -	\$ (2,015,392)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt and Trustee Fees (Group B)	ICS B	\$	17,064	\$ -	\$ -	\$ -	\$ 17,064	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Admin & General	GES	\$	1,722,989	\$ 47,997	\$ 113,717	\$ 4,616	\$ 577,201	\$ 33,845	\$ 28,305	\$ 163,684	\$ 35,075	\$ 184,606	\$ 13,538	\$ 45,968	\$ 443,670	\$ 30,767
Power Management Allocated C	GES	\$	1,134,629	\$ 31,607	\$ 74,886	\$ 3,040	\$ 380,101	\$ 22,288	\$ 18,640	\$ 107,790	\$ 23,098	\$ 121,568	\$ 8,915	\$ 30,271	\$ 292,167	\$ 20,261
<b>Total Project Costs</b>		\$	<b>92,472,735</b>	\$ <b>2,697,869</b>	\$ <b>6,334,103</b>	\$ <b>259,423</b>	\$ <b>31,616,758</b>	\$ <b>1,902,027</b>	\$ <b>1,594,793</b>	\$ <b>9,197,942</b>	\$ <b>1,971,509</b>	\$ <b>7,006,969</b>	\$ <b>760,924</b>	\$ <b>2,591,214</b>	\$ <b>24,810,356</b>	\$ <b>1,729,848</b>
<b>Third Party Revenue</b>																
ISO Energy Sales		\$	58,649,164	\$ 1,707,341	\$ 4,037,361	\$ 164,205	\$ 20,531,883	\$ 1,203,897	\$ 1,006,697	\$ 5,822,058	\$ 1,247,755	\$ 6,554,178	\$ 481,584	\$ (969,249)	\$ 15,767,216	\$ 1,094,238
Ancillary Services Sales		\$	1,468,624	\$ 40,910	\$ 96,929	\$ 3,934	\$ 491,990	\$ 28,848	\$ 24,127	\$ 139,519	\$ 29,897	\$ 157,353	\$ 11,539	\$ 39,182	\$ 378,171	\$ 26,225
Interest Income	GES	\$	11,882	\$ 331	\$ 784	\$ 32	\$ 3,980	\$ 233	\$ 195	\$ 1,129	\$ 242	\$ 1,273	\$ 93	\$ 317	\$ 3,060	\$ 212
Interest Income (Group A)	ICS A	\$	48,425	\$ 2,418	\$ 5,729	\$ 233	\$ -	\$ 1,705	\$ 1,426	\$ 8,247	\$ 1,767	\$ -	\$ 682	\$ 2,316	\$ 22,352	\$ 1,550
Interest Income (Group B)	ICS B	\$	3,085	\$ -	\$ -	\$ -	\$ 3,085	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Income	GES	\$	791,502	\$ 22,049	\$ 52,239	\$ 2,120	\$ 265,153	\$ 15,547	\$ 13,003	\$ 75,193	\$ 16,113	\$ 84,804	\$ 6,219	\$ 21,116	\$ 203,812	\$ 14,134
		\$	<b>60,972,682</b>	\$ <b>1,773,049</b>	\$ <b>4,193,043</b>	\$ <b>170,524</b>	\$ <b>21,296,092</b>	\$ <b>1,250,231</b>	\$ <b>1,045,448</b>	\$ <b>6,046,145</b>	\$ <b>1,295,774</b>	\$ <b>6,797,608</b>	\$ <b>500,117</b>	\$ <b>(906,318)</b>	\$ <b>16,374,611</b>	\$ <b>1,136,359</b>
<b>Annual Project Costs, net</b>		\$	<b>31,500,053</b>	\$ <b>924,820</b>	\$ <b>2,141,060</b>	\$ <b>88,899</b>	\$ <b>10,320,666</b>	\$ <b>651,796</b>	\$ <b>549,344</b>	\$ <b>3,151,797</b>	\$ <b>675,736</b>	\$ <b>208,361</b>	\$ <b>260,806</b>	\$ <b>3,497,532</b>	\$ <b>8,435,745</b>	\$ <b>593,489</b>
<b>Estimated price per Mwh, net</b>		\$	<b>25.36</b>	\$ <b>26.73</b>	\$ <b>26.12</b>	\$ <b>26.73</b>	\$ <b>24.80</b>	\$ <b>26.72</b>	\$ <b>26.93</b>	\$ <b>26.72</b>	\$ <b>26.73</b>	\$ <b>1.57</b>	\$ <b>26.73</b>	\$ <b>105.54</b>	\$ <b>26.39</b>	\$ <b>26.77</b>
<b>Gross Collections</b>		\$	<b>30,969,093</b>	\$ <b>910,439</b>	\$ <b>2,106,987</b>	\$ <b>87,516</b>	\$ <b>10,136,336</b>	\$ <b>641,655</b>	\$ <b>540,863</b>	\$ <b>3,102,752</b>	\$ <b>665,226</b>	\$ <b>149,730</b>	\$ <b>256,751</b>	\$ <b>3,483,759</b>	\$ <b>8,302,809</b>	\$ <b>584,270</b>
<b>Unfunded/(Excess)</b>		\$	<b>530,960</b>	\$ <b>14,381</b>	\$ <b>34,073</b>	\$ <b>1,383</b>	\$ <b>184,330</b>	\$ <b>10,141</b>	\$ <b>8,481</b>	\$ <b>49,045</b>	\$ <b>10,510</b>	\$ <b>58,631</b>	\$ <b>4,055</b>	\$ <b>13,773</b>	\$ <b>132,936</b>	\$ <b>9,219</b>
			<b>1.71%</b>													
<b>JPA Assessment (per PMOA)</b>		\$	<b>146,191</b>	\$ <b>8,199</b>	\$ <b>-</b>	\$ <b>-</b>	\$ <b>98,603</b>	\$ <b>-</b>	\$ <b>-</b>	\$ <b>-</b>	\$ <b>-</b>	\$ <b>31,536</b>	\$ <b>-</b>	\$ <b>7,853</b>	\$ <b>-</b>	\$ <b>-</b>

**NORTHERN CALIFORNIA POWER AGENCY  
LODI ENERGY CENTER  
BUDGET VARIANCE ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2014**

	Revised Budget	Actual	Under/(Over) Budget
<b>COST ANALYSIS:</b>			
Operations	\$ 1,300,738	\$ 1,144,338	\$ 156,400
Maintenance	3,752,752	5,266,481	(1,513,729)
Administration	1,214,657	1,220,237	(5,580)
Mandated Costs	456,000	519,687	(63,687)
Inventory Stock	400,000	180,577	219,423
<b>Routine O &amp; M Costs without Labor</b>	<b>7,124,147</b>	<b>8,331,320</b>	<b>(1,207,173)</b>
Labor	4,227,098	4,630,807	(403,709)
<b>Total Routine O &amp; M Costs</b>	<b>11,351,245</b>	<b>12,962,127</b>	<b>(1,610,882)</b>
<b>Other Costs</b>			
Fuel	41,400,588	46,150,510	(4,749,922)
AB32 GHG Offset	5,650,224	7,460	5,642,764
CA ISO Charges	528,800	1,141,140	(612,340)
Debt Service	25,956,029	26,437,806	(481,777)
Other Costs	2,309,776	1,971,606	338,170
Administrative & General	1,750,798	1,722,989	27,809
Generation Services Shared	510,711	451,379	59,332
Maintenance Reserve	397,250	397,250	-
<b>Total O &amp; M Costs</b>	<b>89,855,421</b>	<b>91,242,267</b>	<b>(1,386,846)</b>
<b>Projects</b>			
O&M Projects (Betterments & Improvements)	168,000	306,579	(138,579)
Capital Projects	961,000	923,889	37,111
<b>Total Projects</b>	<b>1,129,000</b>	<b>1,230,468</b>	<b>(101,468)</b>
<b>Annual Cost</b>	<b>90,984,421</b>	<b>92,472,735</b>	<b>(1,488,314)</b>
<b>THIRD PARTY REVENUE ANALYSIS:</b>			
ISO Energy Sales	53,249,904	58,649,164	(5,399,260)
Ancillary Services Sales	2,290,040	1,468,624	821,416
Interest Income - Operations	9,330	11,882	(2,552)
Interest Income (NCPA)	49,216	48,425	791
Interest Income (CDWR)	14,712	3,085	11,627
Other Income	-	791,502	(791,502)
<b>Total Third Party Revenue</b>	<b>55,613,202</b>	<b>60,972,682</b>	<b>(5,359,480)</b>
<b>Net Annual Cost</b>	<b>\$ 35,371,219</b>	<b>\$ 31,500,053</b>	<b>\$ 3,871,166</b>
<b>Net Generation Mwh</b>	<b>1,354,957</b>	<b>1,241,899</b>	
<b>Net Annual Cost per Mwh</b>	<b>\$ 26.11</b>	<b>\$ 25.36</b>	

**Explanations and Comments**

**General:**

Lodi Energy Center provides base and peak load and ancillary power services designed to meet electric generation demand and reliability requirements for participating members. The plant began operations late November 2012.

**Routine O&M w/o Labor** is over budget by \$1.2 million primarily due to increase of \$0.46 million for Siemens' service contract, increase of \$0.33 million for auxiliary power usage and net increase of \$0.63 million for repairs and maintenance of boilers and turbines offset by decrease of \$0.22 million of inventory purchases.

**Labor** is over budget by \$403,709 or 9.6% of the budgeted labor primarily due to increased labor effort for repairs and maintenance of boilers and turbines.

**Other Costs:**

Fuel costs are higher than anticipated due to higher costs per mmBtu. AB32 GHG Offset costs are lower due to participants GHG Allowances transfers to cover their obligations. Transferred allowances are recorded at zero costs.

Administrative and General costs are allocated based on either weighted average percentages or person years where appropriate.

**Third Party Revenues:**

Energy sales into the California ISO market were higher due to slightly higher price per Mwh. Revenues were credited to participants as received from the ISO. Ancillary services were \$0.82 million under budget due to lower availability for repairs and maintenance. Other income represents sale of unused ERCs. Income is returned to participants on GES shares.