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# Minutes

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**Date:** February 12, 2020  
**To:** NCPA Facilities Committee  
**From:** Carrie Pollo  
**Subject:** February 5, 2020 Facilities Committee Meeting Minutes

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- 1. Call Meeting to Order & Roll Call** – The meeting was called to order by Committee Chair Brian Schinstock at 9:05 am. A sign-in sheet was passed around. Attending via teleconference and/or on-line presentation were Alan Harbottle and Alex Smith (Alameda), Paul Eckert (Gridley), Shiva Swaminathan (Palo Alto), Jared Carpenter (Port of Oakland), Nick Rossow (Redding) and Steve Hance and Paulo Apolinario (Santa Clara). Those attending in person are listed on the attached Attendee Sign-in Sheet. Committee Representatives from BART, Biggs, Healdsburg, Lompoc, TID, and Ukiah were absent. A quorum of the Committee was established.

## **PUBLIC FORUM**

No public comment.

## **OPEN SESSION**

## **DISCUSSION / ACTION ITEMS**

- 2. Approve Minutes from the January 8, 2020 Facilities Committee Meeting.**

Motion: A motion was made by Jiayo Chiang and seconded by Brian Schinstock recommending approval of the January 8, 2020 Facilities Committee meeting minutes. A vote was taken by roll call: YES = Alameda, Gridley, Lodi, Palo Alto, Plumas-Sierra, Roseville, and Santa Clara. ABSTAIN = Port of Oakland, and Redding. The motion passed.

- 3. All Generation Services Facilities, Members, SCPPA – Industrial Door Company MTGSA –** Staff presented background information and was seeking a recommendation for Commission approval of a five-year Multi-Task General Services Agreement with Industrial Door Company for commercial and industrial door maintenance services, with a not to exceed amount of \$500,000, for use at all facilities owned and/or operated by NCPA, NCPA Members, SCPPA, and SCPPA Members. All purchase orders will be issued following NCPA procurement policies and procedures.

This is a new agreement with a new vendor. Staff contacted Industrial Door Company because they have worked near the Geysers area. It is an enabling agreement with no commitment of funds. Execution of this enabling agreement will also increase the pool of qualified vendors

willing to work in the more remote location of NCPA's Geothermal facility, which will result in more competitive bidding when services are needed. NCPA has one other agreement in place for similar services with Barton Overhead Door, Inc. A draft Commission Staff Report and draft agreement were available for review. It is recommended to place this item on the consent calendar.

Motion: A motion was made by Basil Wong and seconded by Mike Brozo recommending Commission approval authorizing the General Manager or his designee to enter into a Multi-Task General Services Agreement with Industrial Door Company for commercial and industrial door maintenance services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$500,000 over five years, for use at all facilities owned and/or operated by NCPA, NCPA Members, by SCPA, or by SCPA Members. A vote was taken by roll call: YES = Alameda, Gridley, Lodi, Palo Alto, Plumas-Sierra, Roseville, and Santa Clara. ABSTAIN = Port of Oakland, and Redding. The motion passed.

4. **NCPA Geothermal Facility – Vince Sigal Electric, Inc. MTGSA** – Staff is seeking a recommendation for Commission approval of a five-year Multi-Task General Services Agreement with Vince Sigal Electric, Inc. for specialized electrical services, including labor and materials for miscellaneous maintenance purposes, with a not to exceed amount of \$500,000, for use at NCPA's Geothermal facility. All purchase orders will be issued following NCPA procurement policies and procedures.

*\*\*This item was pulled from the agenda.\*\**

5. **All Generation Services Facilities, Members, SCPA – Farwest Insulation Contracting First Amendment to MTGSA** – Staff presented background information and was seeking a recommendation for Commission approval of a First Amendment to the Multi-Task General Services Agreement with Farwest Insulation Contracting, increasing the not to exceed amount from \$500,000 to \$3,500,000, for use at all facilities owned and/or operated by NCPA, NCPA Members, SCPA, and SCPA Members. All purchase orders will be issued following NCPA procurement policies and procedures.

NCPA entered into a five year Multi Task General Services Agreement with Farwest Insulation Contracting effective December 6, 2019 for an amount not to exceed \$500,000. The Lodi Energy Center (LEC) is currently in a forced outage, and will need continued insulation support services for the duration of the outage, which will quickly exhaust the amount that is currently remaining on the agreement. This amendment will increase the not to exceed amount from \$500,000 to \$3,500,000. It will remain an enabling agreement with no commitment of funds. NCPA has one other enabling agreement in place for similar services with Bayside Insulation and Construction. A draft Commission Staff Report and draft First Amendment with the original agreement were available for review. It is recommended to place this item on the consent calendar.

Motion: A motion was made by Mike Brozo and seconded by Jiayo Chiang recommending Commission approval authorizing the General Manager or his designee to enter into a First Amendment to the Multi-Task General Services Agreement with Farwest Insulation Contracting, with any non-substantial changes as recommended and approved by the NCPA General Counsel, increasing the not to exceed amount from \$500,000 to \$3,500,000, for use at all facilities owned and/or operated by NCPA, NCPA Members, by SCPA, or by SCPA Members. A vote was taken by roll call: YES = Alameda, Gridley, Lodi, Palo Alto, Plumas-Sierra, Roseville, and Santa Clara. ABSTAIN = Port of Oakland, and Redding. The motion passed.

- 6. All Generation Services Facilities, Members, SCPPA – Maxim Crane Works, L.P. First Amendment to MTGSA** – Staff provided background information and was seeking a recommendation for Commission approval of a First Amendment to the Multi-Task General Services Agreement with Maxim Crane Works, L.P., increasing the not to exceed amount from \$500,000 to \$1,500,000, for use at all facilities owned and/or operated by NCPA, NCPA Members, SCPPA, and SCPPA Members. All purchase orders will be issued following NCPA procurement policies and procedures.

NCPA entered into a five year Multi Task General Services Agreement with Maxim Crane Works, L.P. effective April 4, 2016 for an amount not to exceed \$500,000. The Lodi Energy Center is currently in a forced outage, and will need continued crane support services for the duration of the outage. Staff estimates that this vendor's work related to the current LEC outage will exceed the amount remaining on the agreement. This amendment increases the not to exceed amount from \$500,000 to \$1,500,000. It will remain an enabling agreement with no commitment of funds. Other agreements in place for similar services are with American Crane Rental, Inc., Hatton Crane & Rigging, OST Trucks & Cranes, Inc., Summit Crane Company of Solano, Inc. and Titan Crane & Rigging, Inc. A draft Commission Staff Report and draft First Amendment with the original agreement were available for review. It is recommended to place this item on the consent calendar.

Motion: A motion was made by Jiayo Chiang and seconded by Basil Wong recommending Commission approval authorizing the General Manager or his designee to enter into a First Amendment to the Multi-Task General Services Agreement with Maxim Crane Works, L.P., with any non-substantial changes as recommended and approved by the NCPA General Counsel, increasing the not to exceed amount from \$500,000 to \$1,500,000, for use at all facilities owned and/or operated by NCPA, NCPA Members, by SCPPA, or by SCPPA Members. A vote was taken by roll call: YES = Alameda, Gridley, Lodi, Palo Alto, Plumas-Sierra, Roseville, and Santa Clara. ABSTAIN = Port of Oakland, and Redding. The motion passed.

- 7. All Generation Services Facilities – Nalco Company, LLC MTGSA** – Staff gave background information and was seeking a recommendation for Commission approval of a five-year Multi-Task General Services Agreement with Nalco Company, LLC for specialty chemicals and related services, with a not to exceed amount of \$2,500,000, for use at all facilities owned and/or operated by NCPA. All purchase orders will be issued following NCPA procurement policies and procedures.

This is a renewal agreement with an existing vendor. NCPA had a previous agreement in place which expired in November 2019, and have a good working relationship with this vendor. It is an enabling agreement with no commitment of funds. NCPA recently requested competitive bids for a project at the CT facilities. Nalco was one of the prospective bidders. Execution of this enabling agreement will also increase the pool of qualified and proven vendors for these types of services. Other agreements in place for similar services are with CellMark USA, Inc. (Geo only), Dow Chemical Company (Geo only), SUEZ WTS USA, Inc., and Univar USA, Inc. This agreement will be for use at NCPA facilities only since it is for specialty chemicals and related services. A draft Commission Staff Report and draft agreement were available for review. It is recommended to place this item on the consent calendar.

Motion: A motion was made by Mike Brozo and seconded by Brian Schinstock recommending Commission approval authorizing the General Manager or his designee to enter into a Multi-Task General Services Agreement with Nalco Company, LLC for specialty chemicals and services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$2,500,000 over five years, for use at all facilities owned and/or operated by NCPA. A vote was taken by roll call: YES = Alameda, Gridley, Lodi, Palo Alto,

Plumas-Sierra, Roseville, and Santa Clara. ABSTAIN = Port of Oakland, and Redding. The motion passed.

- 8. Nexant Cost Allocation Model Billing Determinants** – Staff reviewed the finalized calendar year 2019 billing determinants that will be used in the FY2021 Nexant Cost Allocation Model. The prescribed Nexant determinants are appropriate for use as allocators in the cost allocation model. This review does not include offsetting Power Management services revenues. Staff was also seeking a recommendation for Commission approval of the modification to exclude contract deals from NCPA’s deal capture system having ‘Submitted’ deal status for use as inputs into the Nexant Model.

The proposed modification to the current Nexant Cost Allocation Model was reviewed by staff. NCPA’s Deal capture system accounts for contracts arranged with counter parties for the purchase or sale of energy and capacity transactions. Typically, ‘Submitted’ deals represent an inactive status until they are subsequently modified to ‘Finalized’ or ‘Verified’ status. The ‘Submitted’ status has more recently been used as a means to store information for deals not associated with scheduling or settlements. This requested change ensures that Submitted deals are not included as inputs into the Nexant model, as they do not reflect any incremental time or effort performed by either NCPA staff or NCPA applications.

Motion: A motion was made by Shiva Swaminathan and seconded by Brian Schinstock recommending Commission approval of the proposed modification to exclude contract deals from NCPA’s deal capture system having ‘Submitted’ deal status for use as inputs into the FY 2021 Nexant Cost Allocation Model. A vote was taken by roll call: YES = Alameda, Gridley, Lodi, Palo Alto, Plumas-Sierra, Roseville, and Santa Clara. ABSTAIN = Port of Oakland, and Redding. The motion passed.

- 9. NCPA Hydroelectric Facility – Hydro Wildfire Risk Mitigation Project** – Staff provided background information and was seeking a recommendation for Commission approval of the Hydroelectric Wildfire Risk Mitigation Project, with a not to exceed amount of \$3,000,000, and approval of a budget augmentation for the FY20 Hydroelectric Budget in the amount of \$1,700,000, and use of up to \$1,300,000 in Hydro Capital Development Reserve funds.

In September 2019, NCPA contracted with Power Engineers to prepare a Wildfire Risk Mitigation Report and Recommendations. Part of the Collierville-Bellota 230 kV line crosses through a Cal Fire Tier II Fire Hazard Severity Zone. In consideration of the age of the insulators, the observed failures, and changing design standards, Power Engineers recommended that the approximately 30 year old EPDM polymer-type insulators be replaced with new silicon polymer insulators with corona rings, and other hardware modifications such as changing out some suspension clamps, inspecting the conductors for fatigue or damaged stands, upgrading shield wire grounding installations, and adding anchor shackles at the suspension insulator Y-clevis end in specific tangent towers. In addition, Power Engineers recommended increasing the line-ground clearance in one span, and fire hardening the McKays 17 kV overhead line. The NCPA Hydroelectric Wildfire Mitigation Project will implement the Power Engineer recommendations for the Collierville-Bellota 230 kV line and McKays 17 kV line.

After discussion, Members expressed they would prefer to use the not to exceed amount of \$3,000,000 from the existing Hydroelectric Capital Development Reserve collection funds for the project rather than a budget augmentation for the FY20 Hydroelectric Budget.

Motion: A motion was made by Brian Schinstock and seconded by Basil Wong recommending Commission approval authorizing the NCPA Hydroelectric Wildfire Mitigation Project and delegating authority to the General Manager or his designee to award bids, execute agreements, and to issue purchase orders for the project in accordance with NCPA purchasing policies and

procedures, without further approval by the Commission, for a total not to exceed amount of \$3,000,000, and authorizing use of up to \$3,000,000, in existing Hydroelectric Capital Development Reserve collections to fund the project. The Hydroelectric Capital Development Reserve will need to be replenished in future budget years. A vote was taken by roll call: YES = Alameda, Gridley, Lodi, Palo Alto, Plumas-Sierra, Port of Oakland, Roseville, and Santa Clara. ABSTAIN = Redding. The motion passed.

- 10. NCPA Geothermal Facility – Geo Wildfire Risk Mitigation Project** – Staff presented background information and was seeking a recommendation for Commission approval of the Geothermal Wildfire Risk Mitigation Project, with a not to exceed amount of \$450,000, to be funded from existing Geothermal bond fund account(s).

There have been three major wildfires over the last five years in areas surrounding the NCPA Geothermal Facility. Fortunately, the facility has incurred minimal damage from these fires. An assessment of NCPA facilities was performed by Power Engineers and recommendations were provided based on best business practices. Therefore, the Wildfire Risk Mitigation Report and Recommendations and lessons learned from the recent fires have resulted in Geothermal Facility specific recommended mitigation measures for the project which consists of repairs and lidar surveys to the 230 kV transmission towers and 21 kV power distribution line, purchase and rental of vehicles for power line inspection and vegetation management, and improved fire retardant signage, per Cal Fire, to assist local firefighting crews.

The Wildfire Risk Mitigation Project will require a one-time cost of \$450,000. While this increase was not included in the FY20 budget, staff recommend using a portion of excess bond Reserve funds that was released when the final maturity of the 2009 Geothermal bonds was paid on July 1, 2019. The Reserve fund released was approximately \$3.5 million which would have been included as part of the FY 2020 annual settlements reconciliation. Therefore, no budget augmentation is required. Purchase orders referencing the terms and conditions of any agreements executed for work related to this project will be issued following NCPA procurement policies and procedures.

Motion: A motion was made by Mike Brozo and seconded by Jiayo Chiang recommending Commission approval authorizing the NCPA Geothermal Facility Wildfire Risk Mitigation Project and delegating authority to the General Manager or his designee to award bids, execute agreements, and to issue purchase orders for the project in accordance with NCPA Purchasing Policies and Procedures, without further approval by the Commission, for a total not to exceed amount of \$450,000. A vote was taken by roll call: YES = Alameda, Gridley, Lodi, Plumas-Sierra, Roseville, and Santa Clara. ABSTAIN = Palo Alto, Port of Oakland, and Redding. The motion passed.

- 11. NID Services Agreement** – Staff presented background information and was seeking a recommendation for Commission approval of a Services Agreement with Nevada Irrigation District (NID), pursuant to which NCPA will supply certain scheduling and dispatch services to NID.

NID issued a Request for Information on April 9, 2019, seeking proposals for scheduling and dispatch services for NID's Deer Creek Powerhouse. In response to NID's Request for Information, NCPA submitted a Statement of Qualifications and proposal to supply scheduling coordination, control center, and reliability standards compliance services for NID's Deer Creek Powerhouse. On September 3, 2019, NID formally selected NCPA's proposal. Staff, in coordination with NID, has developed a Services Agreement under which NCPA will supply scheduling, control center, and reliability standards compliance services for NID's Deer Creek Powerhouse. NID has now requested additional services for the Combie South Powerhouse. Services requested are the same services as requested for the Deer Creek Powerhouse. The

Combie South Powerhouse is a 1.5 MW Hydroelectric “run-of-river” production. It qualifies as RPS and RA, with limited dispatch flexibility. The key provisions contained in the Services Agreement included a defined scope of services, terms for compensation, and terms to limit NCPA’s liability.

Compensation for services rendered will be \$34,000 per, with a 2% increase per year. The initial term will be for two years from March 1, 2020 to February 28, 2022 with an automatic extension. The agreement will be structured to be flexible, enabling adding capacity. Additional NID hydroelectric projects produce 82.2 MW of capacity. Lompoc will purchase the Deer Creek Powerhouse output. Purchase of the Combie South Powerhouse output is pending with another NCPA Member.

Motion: A motion was made by Jiayo Chiang and seconded by Brian Schinstock recommending Commission approval of the Services Agreement between NCPA and NID, pursuant to which NCPA will supply scheduling, control center, and reliability standards compliance services to NID, including any non-substantive modifications to the Services Agreement as may be approved by NCPA’s General Counsel. A vote was taken by roll call: YES = Alameda, Gridley, Lodi, Palo Alto, Plumas-Sierra, Port of Oakland, Redding, Roseville, and Santa Clara. The motion passed.

## **INFORMATIONAL ITEMS**

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

**Hydro** – December 2019 was a good month for precipitation, keeping the average percentages up for the current water year. However, January 2020 did not have much precipitation, so brought the percentages down to only 52% of normal by the end of the month. Hopefully the precipitation will pick back up again in the future.

**CTs** – The January operations were busy for CT1 with 32 actual starts of four that were forecasted. The FYTD is 209, with 30 of those starts in real time. CT2 had 0 starts with 0 forecasted. The FYTD is 36 for CT2. Alameda Unit 1 & 2 had nine mini forced outages due to electrical and control issues. There was one planned outage for CT1 Lodi. Work was done on the transformer heaters, valve position indication, CBIT, and some routine maintenance. The Generator Circuit Breaker Project has been deferred due to the parts being late. Staff did not want to extend the CT1 outage any longer than scheduled.

**Geo** – There were no safety incidents to report this past month. Vegetation management is continuing at Geo. Both Plant 1 and Plant 2 were up and running by the end of January. The Fulton and Lakeville transmission lines have been inter-tied with temporary jumper lines. These were installed January 22, and will be removed February 28. Staff are working to install a permanent switch. The Fulton transmission line will be down until February 29. The FY 2020 net generation is 350.1 GWh, which is 19% below what was forecasted, due to the Kincadee fire. Insulation repairs were done in both plants and the steam field. The P-7 wing valve was also repaired.

### **13. New Business Opportunities –** Staff provided an update regarding new business opportunities.

Sonoma Clean Power (SCP) issued a RFO on January 28, 2020. SCP is a well-established, operational CCA that began services in May 2014. The peak load is 500 MW, equaling 2,500 GWh. Services requested include scheduling coordinator services. Responses are due February 11, 2020. Staff will meet internally to discuss options.

A new CCA is forming in Butte County, Butte Choice Energy (BCE), which includes the City of Chico, and the County of Butte. The estimated load will be 1,000 GWh per year. Operations are

scheduled to commence January 1, 2021. BCE issued a RFP on January 28, 2020. The scope of services includes CAISO scheduling coordination, risk management, and power procurement. Proposals are due February 13, 2020. Staff will meet internally to discuss options. A proposal will likely be submitted with exceptions, such as posting collateral on behalf of BCE, and certain financing and credit obligations.

#### **14. Planning and Operations Update –**

- NCPA actively working to develop and publish a “Rolling” Renewable RFP on behalf of the Members – Staff is currently working to develop a RPS RFP similar to SCPPA’s rolling Renewable RFP. NCPA will work to develop a process for presenting offers to Members for consideration (possible dashboard), and present the draft to Members for comments, and questions.
- BAMx Agreement Development – The cities of Palo Alto, and Santa Clara are part of the BAMx Agreement with Flynn RCI, for transmission studies, which is expiring. A new agreement is being developed. Please contact Tony Zimmer if interested in becoming a participant of the BAMx Agreement.
- Western Base Resource Contract Negotiation Complete – Western has completed the negotiations for the new Base Resource Contract. Next steps include review of the draft contract. Please contact Tony Zimmer, or Vela Wann with any questions.

**15. Next Meeting –** A Special Facilities Committee meeting is scheduled for Wednesday, February 12, 2020 to review the FY 2021 budget. The next regular Facilities Committee meeting is scheduled for March 4, 2020.

#### **ADJOURNMENT**

The meeting was adjourned at 12:12 pm.





**Northern California Power Agency  
February 5, 2020 Facilities Committee Meeting  
Attendance List**

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

<u>MEMBER</u>	<u>NAME</u>
ALAMEDA	
BART	
BIGGS	
GRIDLEY	
HEALDSBURG	
LODI	<i>Juaylo Chiang</i>
LOMPOC	
PALO ALTO	
PLUMAS-SIERRA REC	<i>Amila Broz</i>
PORT OF OAKLAND	
REDDING	
ROSEVILLE	<i>Brian Schinstock</i>
SANTA CLARA	<i>Basil Wong</i>
TID	
UKIAH	