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Minutes

Date: February 11, 2019
To: NCPA Facilities Committee
From: Carrie Pollo
Subject: February 6, 2019, Facilities Committee Meeting Minutes

- 1. Call meeting to order & Roll Call** - The meeting was called to order by Committee Chair Tikan Singh (Lompoc) at 9:02 am. A sign-in sheet was passed around. Attending via teleconference and/or on-line presentation were Mark Sorensen (Biggs), Paul Eckert (Gridley), Terry Crowley (Healdsburg), Poorvi Rao and Shiva Swaminathan (Palo Alto), Brian Schinstock (Redding), and Paulo Apolinario and Steve Hance (Santa Clara). Those attending in person are listed on the attached Attendee Sign-in Sheet. Committee Representatives from BART, Port of Oakland, Plumas Sierra, TID, and Ukiah were absent. A quorum of the Committee was established.

PUBLIC FORUM

No public comment.

- 2. Approve minutes from the January 3, 2019, Facilities Committee meeting.**

Motion: A motion was made by Bill Forsythe and seconded by Jiayo Chiang recommending approval of the January 3, 2019, Facilities Committee meeting minutes. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Lompoc, Palo Alto, Redding, Roseville, and Santa Clara. The motion passed.

- 3. All Generation Services Facilities, Members, SCPA – North American Substation Services, LLC MTGSA** – Staff presented background information and was seeking a recommendation for Commission approval of a five-year Multi-Task General Services Agreement with North American Substation Services, LLC for transformer related services, with a not to exceed amount of \$1,000,000, for use at all facilities owned and/or operated by NCPA, its Members, SCPA, and SCPA Members. This agreement is being renewed with an existing vendor that has done previous work for NCPA. This vendor was the lowest bidder for the RFP with minor cost increases over their existing costs. This is an enabling agreement with no commitment of funds. All purchase orders issued pursuant to the agreement will be charged against approved Annual Operating Budgets. A draft Commission Staff Report and the draft agreement were available for review.

Motion: A motion was made by Jiayo Chiang and seconded by Bill Forsythe recommending

Commission approval authorizing the General Manager or his designee to enter into a Multi-Task General Services Agreement with North American Substation Services, LLC for transformer related services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$1,000,000.00 over five years, for use at all facilities owned and/or operated by NCPA, its Members, by the Southern California Public Power Authority (“SCPPA”), or by SCPPA Members. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Lompoc, Palo Alto, Redding, Roseville, and Santa Clara. The motion passed.

4. **All Generation Services Facilities, Members, SCPPA – Fremouw Environmental Services, Inc. MTGSA** – Staff presented background information and was seeking a recommendation for Commission approval of a five-year Multi-Task General Services Agreement with Fremouw Environmental Services, Inc. for waste removal services, with a not to exceed amount of \$3,000,000, for use at all facilities owned and/or operated by NCPA. This agreement is being renewed with an existing vendor that has been working for NCPA the past 5 years. Fremouw Environmental Services, Inc. was the only bidder for the RFP. This is an enabling agreement with no commitment of funds. All purchase orders issued pursuant to the agreement will be charged against approved Annual Operating Budgets. A draft Commission Staff Report and the draft agreement were available for review.

Since this agreement deals with the removal of hazardous waste, it will not be open to NCPA Members, SCPPA, or SCPPA Members. It will be used at NCPA owned and/or operated facilities only. This provision is included in the support services agreements.

Motion: A motion was made by Alan Harbottle and seconded by Bill Forsythe recommending Commission approval authorizing the General Manager or his designee to enter into a Multi-Task Consulting Services Agreement with Fremouw Environmental Services, Inc. for waste removal services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$3,000,000.00 over five years, for use at all facilities owned and/or operated by NCPA. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Lompoc, Palo Alto, Redding, Roseville, and Santa Clara. The motion passed.

5. **All Generation Services Facilities, Members, SCPPA – Valley Power Systems North, Inc. MTGSA** – Staff provided background information and was seeking a recommendation for Commission approval of a five-year Multi-Task General Services Agreement with Valley Power Systems North, Inc. for fire pump maintenance-related services, with a not to exceed amount of \$500,000, for use at all facilities owned and/or operated by NCPA, its Members, SCPPA, and SCPPA Members. This is a renewal agreement with an existing vendor, and an enabling agreement with no commitment of funds. All purchase orders issued pursuant to the agreement will be charged against approved Annual Operating Budgets. A draft Commission Staff Report and the draft agreement were available for review.

Motion: A motion was made by Jiayo Chiang and seconded by Bill Forsythe recommending Commission approval authorizing the General Manager or his designee to enter into a Multi-Task General Services Agreement with Valley Power Systems North, Inc. for fire pump maintenance services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$500,000.00 over five years, for use at all facilities owned and/or operated by NCPA, its Members, by the Southern California Public Power Authority (“SCPPA”), or by SCPPA Members. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Lompoc, Palo Alto, Redding, Roseville, and Santa Clara. The motion passed.

- 6. All Generation Services Facilities, Members, SCPA – Bayside Insulation & Construction, Inc. MTGSA** – Staff provide background information was seeking a recommendation for Commission approval of a five-year Multi-Task General Services Agreement with Bayside Insulation & Construction, Inc. for insulation services, with a not to exceed amount of \$500,000, for use at all facilities owned and/or operated by NCPA, its Members, SCPA, and SCPA Members. This is a renewal agreement with an existing vendor, and an enabling agreement with no commitment of funds. All purchase orders issued pursuant to the agreement will be charged against approved Annual Operating Budgets. A draft Commission Staff Report and the draft agreement were available for review.

Motion: A motion was made by Bill Forsythe and seconded by Alan Harbottle recommending Commission approval authorizing the General Manager or his designee to enter into a Multi-Task General Services Agreement with Bayside Insulation & Construction, Inc. for insulation services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$500,000.00 over five years, for use at all facilities owned and/or operated by NCPA, its Members, by the Southern California Public Power Authority (“SCPPA”), or by SCPPA Members. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Lompoc, Palo Alto, Redding, Roseville, and Santa Clara. The motion passed.

- 7. All Generation Services Facilities, Members, SCPA – K.S. Dunbar & Associates, Inc. MTCSA** – Staff presented background information and was seeking a recommendation for Commission approval of a five-year Multi-Task Consulting Services Agreement with K.S. Dunbar & Associates, Inc. for NEPA and CEQA document preparation and consulting services, with a not to exceed amount of \$1,000,000, for use at all facilities owned and/or operated by NCPA, its Members, SCPA, and SCPA Members. NCPA has worked with K.S. Dunbar and Associates for over 30 years, so this is a renewal agreement. K.S. Dunbar understands NCPA’s projects and objectives and is able to cost-effectively offer NEPA and CEQA document preparation and consulting services. This is an enabling agreement with no commitment of funds. All purchase orders issued pursuant to the agreement will be charged against approved Annual Operating Budgets. A draft Commission Staff Report and the draft agreement were available for review.

Motion: A motion was made by Jiayo Chiang and seconded by Bill Forsythe recommending Commission approval authorizing the General Manager or his designee to enter into a Multi-Task General Services Agreement with K.S. Dunbar & Associates, Inc. for NEPA and CEQA document preparation and consulting services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$1,000,000 over five years for use at all facilities owned and/or operated by NCPA, its members, by the Southern California Public Power Authority (“SCPPA”), or by SCPPA Members. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Lompoc, Palo Alto, Redding, Roseville, and Santa Clara. The motion passed.

- 8. All Generation Services Facilities, Members, SCPA – Hart High Voltage Apparatus Repairs and Testing Co., Inc. First Amendment to MTGSA** – Staff provided background information and was seeking a recommendation for Commission approval of a First Amendment to the five year Multi-Task General Services Agreement with Hart High Voltage Apparatus Repairs and Testing Co., Inc., increasing the not to exceed amount from \$700,000 to \$2,700,000, for use at all facilities owned and/or operated by NCPA, its Members, SCPA, and SCPA Members. With the upcoming overhaul projects for Plant 1 Units 1 and 2 staff is recommending increasing the not to exceed amount to cover these

expenditures. This is an enabling agreement with no commitment of funds. All purchase orders issued pursuant to the agreement will be charged against approved Annual Operating Budgets. A draft Commission Staff Report and the draft agreement were available for review.

Motion: A motion was made by Bill Forsythe 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 Hart High-Voltage Apparatus Repair And Testing Co., Inc. for specialized electrical services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall increase the not to exceed amount from \$700,000 to \$2,700,000, as requested by NCPA at any facilities owned or operated by Agency, its Members, Southern California Public Power Authority (SCPPA) or SCPPA members. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Healdsburg, Lodi, Lompoc, Palo Alto, Redding, Roseville, and Santa Clara. The motion passed.

- 9. All Generation Services Facilities, Members, SCPPA – Brian Davis dba Northern Industrial Construction First Amendment to MTGSA –** Staff presented background information and was seeking a recommendation for Commission approval of a First Amendment to the five-year Multi-Task General Services Agreement with Brian Davis dba Northern Industrial Construction, increasing the not to exceed amount from \$1,000,000 to \$2,000,000, for use at all facilities owned and/or operated by NCPA, its Members, SCPPA, and SCPPA Members. With the upcoming overhaul projects for Plant 1 Units 1 and 2 staff is recommending increasing the not to exceed amount to cover these expenditures. This is an enabling agreement with no commitment of funds. All purchase orders issued pursuant to the agreement will be charged against approved Annual Operating Budgets. A draft Commission Staff Report and the draft agreement were available for review.

Motion: A motion was made by Bill Forsythe 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 Brian Davis dba Northern Industrial Construction for miscellaneous maintenance services, including but not limited to welding, labor, and materials, with any non-substantial changes recommended and approved by the NPCA General Counsel, which shall increase the not to exceed amount from \$1,000,000 to \$2,000,000, as requested by NCPA at any facilities owned or operated by Agency, its Members, Southern California Public Power Authority (SCPPA) or SCPPA members. YES = Alameda, Biggs, Gridley, Healdsburg, Lodi, Lompoc, Palo Alto, Redding, Roseville, and Santa Clara. The motion passed.

- 10. NCPA Geothermal Facility – Geothermal Resource Group MTCSA –** Staff presented background information and was seeking a recommendation for Commission approval of a five-year Multi-Task Consulting Services Agreement with Geothermal Resource Group for drilling engineering, site supervision, and development of well workover plans, with a not to exceed amount of \$500,000, for use at NCPA Geothermal Facility only. This is an enabling agreement with no commitment of funds. This agreement will be used during the P-site well workover and evaluating of geothermal reservoirs. All purchase orders issued pursuant to the agreement will be charged against approved Annual Operating Budgets. A draft Commission Staff Report and the draft agreement were available for review.

Motion: A motion was made by Bill Forsythe and seconded by Jiayo Chiang recommending Commission approval authorizing the General Manager or his designee to enter into a Multi-Task Consulting Services Agreement with Geothermal Resource Group for assisting in development of new or production well workovers, interpretation of well analysis reports,

and supervision during drilling operations, 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 the Geothermal plant facility. YES = Alameda, Biggs, Gridley, Healdsburg, Lodi, Lompoc, Redding, Roseville, and Santa Clara. ABSTAIN = Palo Alto. The motion passed.

- 11. NCPA Geothermal Facility – Redwood Coast Fuels MTEMS** – Staff presented background information and was seeking a recommendation for Commission approval of a five-year Multi-Task Equipment Materials and Supplies Agreement with Redwood Coast Fuels for purchase of fuels, oils, and other petroleum products, with a not to exceed amount of \$2,000,000, for use at NCPA Geothermal Facility only. This vendor will procure and deliver the fuel. Calpine has used this vendor as well. This is an enabling agreement with no commitment of funds. All purchase orders issued pursuant to the agreement will be charged against approved Annual Operating Budgets. A draft Commission Staff Report and the draft agreement were available for review.

Motion: A motion was made by Jiayo Chiang and seconded by Bill Forsythe recommending Commission approval authorizing the General Manager or his designee to enter into an Agreement for Purchase of Equipment, Materials and Supplies with Nick Barbieri Trucking, LLC dba Redwood Coast Fuels for the delivery of fuels, oils, lubricants, and other miscellaneous petroleum products with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$2,000,000 over five years, for use at the NCPA Geothermal plant facility. YES = Alameda, Biggs, Gridley, Healdsburg, Lodi, Lompoc, Redding, Roseville, and Santa Clara. ABSTAIN = Palo Alto. The motion passed.

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

CTs – Lodi CT1 is currently in an outage. Disassembly has been completed. The NDE has been completed as well, with no major problems. The bearing is experiencing lots of ware and tare, plus 2nd stage shrouds are cracking. Buckets have been replaced with spares, and the compressor blades cleaned up. Replacement parts have been located. There have been several other minor findings, so the outage schedule is slipping a bit, and repairs should be completed by the end of February. The fire system has been changed from a halon system. Parts were hard to get for this type of system, and bottles of halon cost approximately \$16,000 per bottle. The emergency fuel shutoff has also been upgraded.

Geo – There have been no safety incidents at Geo the past month. The February 5th Safety Audit was cancelled due to snow and ice, so will be rescheduled. Generation dipped slightly due to the SEGEP operation and cold weather. It is still just above the forecasted amount. The Stretford Project is ahead of schedule and should be completed by March pending CEQA approval by the CEC. The bid walk for the Plant 1 overhaul was January 16th, with bids due back February 5th. Five potential bidders include Ethos, Stephens Mechanical, Reliable Turbine Services, Fuji Electric and Energy Management Corp. The overhaul is scheduled to start April 1. Request for Proposals was sent out January 28th, for the P-Site Well Workovers. The bid walk will be February 6th. Potential drilling contractors include Paul Graham Drilling, Kenai Drilling, Ensign Energy, and Nabors Drilling. Bids are due back February 20th. Staff is anticipating mobilizing the drill rig in either April or May.

Hydro – The current hydrology results are currently slightly above normal right now. The current snowpack for the Central Sierra is at 128% of normal. Cloud seeding has been going

on during these storms as well. Currently at 8700 feet elevation, the water content is 38 inches. New Spicer needs 100 inches by summer to be able to be at capacity.

- 13. Status of Insurance Claim for Alameda CT Unit #1** – Staff provided an update on the insurance claim for this project. The property damage claim submitted was \$1.89 million. The lost revenue claim was about \$182,600. All supporting documents were submitted and the claim is currently being reviewed by an adjuster.
- 14. Nexant Cost Allocation Model Billing Determinants** – Staff reviewed updates and proposed modifications to the Nexant Model, which is used to allocate approximately \$12 Million in Power Management, Risk Management, Settlements and information services budget costs. With this finalized version, staff was seeking a recommendation for Commission approval for the billing determinants for use in the FY2020 Nexant Cost Allocation Model. Staff identified and reviewed the source of changes to members' costs, as compared to the prior fiscal year, due to updated determinants. The calendar year 2018 data model results were finalized January 15. The final version of the Nexant Cost Allocation Model and associated underlying operational data was published to NCPA Connect for member review and feedback at that time.

Staff reviewed two proposed modifications to the current Nexant Cost Allocation Model. The first proposed modification excludes system-generated real-time balancing schedules as determinants in the Nexant model. During CY 2018, NCPA Information Services staff deployed three scheduling provisions to facilitate resource and portfolio balancing for SVP for use with the NCPA scheduling suite. These scheduling provisions (RT Adjustment, Grizzly Entitlement, and Gross Load) are automatically generated and do not require or reflect any incremental time on the part of NCPA dispatch staff.

The second modification is to prorate Seattle City Light (SCL) Agreement resource parameter values to reflect end of operations prior to the end of a calendar year. The SCL Agreement ended April 2018. In contrast, the use of related fixed parameter values such as 'Maximum Operating Capacity' in the Nexant Model implicitly presumes that resources exist for a full year. Staff recommends that applicable parameter values be prorated for the SCL agreement as well as other resources on a prospective basis to reflect situations in which a supply resource's operations are discontinued prior to the end of a calendar year.

Relative percentage changes between calendar year 2018 and 2017 with respect to member contracts, load, and pool resources contributed to the allocated results observed for Pool Members and BART. Member contracts and metered loads are two of the primary inputs used as determinants for the allocation of \$3.8 million to Pool Members and BART. This amount is composed of approximately \$1.95 million in Direct Pool and BART Costs, \$1.6 million for allocated Pool Operating Entity Costs, and \$0.3 million associated with allocation of Scheduled Energy-related costs. Separately, the revenue offset allocation to members is approximately \$2.5 million, which is allocated to members through a separate accounting process.

Motion: A motion was made by Jiayo Chiang and seconded by Poorvi Rao recommending Commission approval of the proposed modifications presented at this committee meeting and billing determinants for use in the FY 2020 Nexant Cost Allocation Model. The proposed modifications to the Nexant Cost Allocation Model are: 1) Modify applicable parameter values for use as determinants in the Nexant Model to apply prorated capacity values and prorated Integrated System unit values to resources that are in commercial operation for less than a full calendar year. For FY 2020, this modification would apply to the Seattle City Light (SCL) Agreement resource that ended at the end of April 2018, and would apply on a

prospective basis to other similarly situated resources, to the extent that the Nexant Model is utilized. 2) Modify the use of Real-Time Schedule Counts, as determinants in the Nexant Model, to exclude system-generated real-time balancing schedules for FY 2020 and going forward, to the extent that the Nexant Model is utilized. YES = Alameda, Biggs, Gridley, Healdsburg, Lodi, Lompoc, Palo Alto, Redding, Roseville, and Santa Clara. The motion passed.

15. NCPA Authority to Procure Short-Term Resource Adequacy Capacity – Staff will present and seek comments on a new Appendix I to the Amended and Restated Scheduling Coordination Program Agreement (SCPA), under which NCPA may be authorized to procure Resource Adequacy capacity on behalf of the participating members.

Item pulled from the Agenda. Will bring back at a later date.

The CAISO is in the process of making changes to the RA outage scheduling requirements. A straw proposal is currently ready for review. Comments are due February 12. Changes are being made to business practices 1121 & 1122. Pending the outcome and comments from the straw proposal review, this item will be brought back to a future meeting.

16. Planning and Operations Update –

- NCPA is currently under going a NERC CIP Audit. Things are going well, and all documentation is being provided.
- On February 1, Pioneer Community Energy was successfully migrated to their own SC.
- East Bay Community Energy and San Jose Clean Energy are going through this process as well, and should be migrated over by March 1, or possibly mid-March.
- NCPA met and reviewed questions regarding a draft services agreement with SFWPA on January 24. Pending further discussion, it is likely that any services provided by NCPA to SFWPA would be similar to services provided to MEID.
- The Amended NCPA NDA will be presented to the Commission for review and approval on February 21. The Legal Committee will review the document prior to the Commission meeting.
- NCPA met with PG&E on January 29, to discuss transmission planning and next steps regarding development of a new stakeholder process. Anish Nand will reach out to Members to identify interconnection and transmission projects that may be presented to PG&E for consideration.

17. Schedule Next Meeting Date – The next regular Facilities Committee meeting is scheduled for March 6, 2019.

ADJOURNMENT

The meeting was adjourned at 11:30 am by the Committee Chair.

**Northern California Power Agency
February 6, 2019 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	Alan Harbottle
BART	
BIGGS	
GRIDLEY	
HEALDSBURG	
LODI	Diago Chiang
LOMPOC	Johan [Signature]
PALO ALTO	
PLUMAS-SIERRA REC	
PORT OF OAKLAND	
REDDING	
ROSEVILLE	Bill Forsythe
SANTA CLARA	
TID	
UKIAH	