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Facilities Committee Meeting Agenda

Date: February 7, 2024
Subject: NCPA Facilities Committee Meeting
Location: NCPA, 651 Commerce Drive, Roseville, California 95678 // Conference Call
Time: 9:00 am

****In compliance with the Brown Act, you may participate via teleconference at one of the meeting locations listed below or attend at NCPA Headquarters. In either case, please: (1) post this Agenda at a publicly accessible location at the participation location no later than 72-hours before the meeting begins, and (2) have a speaker phone available for any member of the public who may wish to attend at your location.****

NCPA, 651 Commerce Drive, Roseville, CA 95678 (916) 781-3636

ALAMEDA MUNICIPAL PWR 2000 Grand St., Alameda, CA	BAY AREA RAPID TRANSIT 2150 Webster Street, 1 st Floor, Oakland, CA	CITY OF BIGGS 3016 Sixth Street, Biggs, CA
CITY OF GRIDLEY 685 Kentucky Street, Gridley, CA	CITY OF HEALDSBURG 401 Grove Street, Healdsburg, CA	CITY OF LODI 1331 S. Ham Lane, Lodi, CA
CITY OF LOMPOC 100 Civic Ctr. Plaza, Lompoc, CA	CITY OF PALO ALTO 250 Hamilton Avenue, 3 rd Floor Palo Alto, CA	PLUMAS-SIERRA REC 3524 Mulholland Way, Sacramento CA
PORT OF OAKLAND 530 Water Street, Oakland, CA	CITY OF REDDING 3611 Avtech Pkwy., Redding, CA	CITY OF ROSEVILLE 2090 Hilltop Circle, Roseville, CA
CITY OF SHASTA LAKE 3570 Iron Court, Shasta Lake, CA	SILICON VALLEY POWER 881 Martin Ave., Santa Clara, CA	TURLOCK IRRIGATION DISTRICT 333 E. Canal Drive, Turlock, CA
CITY OF UKIAH 300 Seminary Ave., Ukiah, CA		

The Facilities Committee may take action on any of the items listed on this Agenda regardless of whether the matter appears as a Discussion/Action Item or a Report or an Information Item. When this Agenda is supplemented by Staff Reports, they are available to the public upon 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 Offices, 651 Commerce Drive, Roseville, California, or www.ncpa.com.

Persons requiring accommodations in accordance with the Americans with Disabilities Act in order to attend or participate in this meeting are requested to contact the NCPA Secretary at (916)781-3636 in advance of the meeting to arrange for such accommodations.

REVIEW SAFETY PROCEDURES

1. Call Meeting to Order and Roll Call

PUBLIC FORUM

Any member of the public who desires to address the Committee on any item considered by the Committee at this meeting before or during the Committee's 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 Committee on any item within the jurisdiction of the Committee and not listed on the Agenda may do so at this time.

OPEN SESSION

DISCUSSION / ACTION ITEMS

2. **Approval of Minutes** – Approve minutes from the December 6, 2023, and the January 3, 2024 Facilities Committee meetings.
3. **All NCPA Facilities, Members, SCPPA – American Power Systems, LLC MTGSA** – Staff is seeking a recommendation for Commission approval of a five-year Multi-Task General Services Agreement with American Power Systems, LLC for battery testing related 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. *(Commission Category: Consent; Sponsor: CTs)*
4. **All NCPA Facilities, Members, SCPPA – KW Emerson, Inc. MTGSA** – Staff is seeking a recommendation for Commission approval of a five-year Multi-Task General Services Agreement with KW Emerson, Inc. for routine asphalt, concrete, dam patching and other related maintenance services, with a not to exceed amount of \$1,000,000, 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. *(Commission Category: Consent; Sponsor: Hydro)*
5. **All NCPA Facilities, Members, SCPPA – Alliance Cooling Products and Construction, Inc. First Amendment to MTGSA** – Staff is seeking a recommendation for Commission approval of a First Amendment to the five-year Multi-Task General Services Agreement with Alliance Cooling Products and Construction, Inc. for miscellaneous maintenance services, increasing the not to exceed amount from \$1,000,000 to \$6,000,000, with no change to the contract term, for continued 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. *(Commission Category: Consent; Sponsor: Geo)*
6. **NCPA Casualty Insurance Renewals** – Staff is seeking a recommendation for Commission approval to renew the Agency's excess liability, worker's compensation, and automobile insurance programs for March 2024 to March 2025. *(Commission Category: Consent; Sponsor: Risk Management)*
7. **Nexant Cost Allocation Model Billing Determinants for FY 2025** – Staff is seeking a recommendation for Commission approval of the billing determinants that will be used in the FY 2025 Nexant Cost Allocation Model. *(Commission Category: Consent; Sponsor: Power Settlements)*

8. **Approval of Letter of Agreement 24-SNR-XXXXX** – Staff will present and seek a recommendation for approval of Letter of Agreement 24-SNR-XXXXX (WAPA 2024 REC Program) between Western Area Power Administration (WAPA) and Northern California Power Agency (NCPA). (*Commission Category: Consent; Sponsor: Power Management*)
9. **Transmission Owner Rate Case Program Agreement** – Staff is seeking a recommendation for Commission approval of the Transmission Owner Rate Case Program Agreement. (*Commission Category: Discussion/Action; Sponsor: Power Management*)
10. **NCPA Hydroelectric Facility – Lake Alpine Handrails and Walkway Replacement Project** – Staff is seeking a recommendation for Commission approval authorizing the Lake Alpine Handrail and Walkway Replacement Project and delegating authority to the General Manager or his designee to award bids, execute agreements, and to issue purchase orders and change 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 \$1,690,000, and authorizing \$235,000 from the approved FY24 budget and the remaining \$1,455,000 collected in the FY25 Hydroelectric budget. A FEMA claim has been submitted and if any collections are received, funds will be refunded during the final settlements for the fiscal year they were received. (*Commission Category: Discussion/Action; Sponsor: Hydro*)
11. **NCPA Hydroelectric Facility – FERC 2409 Part 12 Independent Consultant Inspection (IC) Project** – Staff is seeking a recommendation for Commission approval authorizing the FERC 2409 Part 12 Independent Consultant (IC) Inspection Project and delegating authority to the General Manager or his designee to award bids, execute agreements, and to issue purchase orders and change 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 \$709,500, and authorizing \$70,950 from the approved FY24 budget and the remaining \$638,550 collected in the FY25 Hydroelectric budget. (*Commission Category: Discussion/Action; Sponsor: Hydro*)
12. **NCPA Geothermal Facility – Fourth Amendment to Resolution 21-109 for the NCPA Geothermal Plant 2, Unit 4 Overhaul Project** – Staff is seeking a recommendation for Commission approval of the Fourth Amendment to Resolution 21-109 for the NCPA Geothermal Plant 2, Unit 4 Overhaul Project, increasing the total not to exceed amount of this project from \$7,400,000 to \$7,591,623 for settlement of the final invoice to close out the project. (*Commission Category: Discussion/Action; Sponsor: Geo*)
13. **Resolution Commending Alan Harbottle** – Adopt a resolution by all Facilities Committee Members commending the service of Alan Harbottle, acting in the role of Facilities Committee Chair during Calendar Year 2023. (*Discussion/Action; Sponsor: Power Management*)

INFORMATIONAL ITEMS

14. **New Business Opportunities** – Staff will provide an update regarding new business opportunities. (*Sponsor: Power Management*)
15. **NCPA Preliminary Studies and Investigations Procedure** – Staff will present an updated copy of the proposed NCPA Preliminary Studies and Investigations (PS&I) Procedure (GS-201) to the Committee for review and comment. (*Sponsor: Generation Services*)
16. **NCPA Facilities – Plant Decommissioning Studies** – Staff will share a presentation regarding CT and Geo Plant Decommissioning studies. (*Sponsor: CTs*)

17. NCPA Generation Services Plant Updates – Plant Staff will provide the Committee with an informational update on current plant activities and conditions. (*Sponsor: Generation Services*)

18. Planning and Operations Update – Staff will provide an update on issues related to planning and operations. (*Sponsor: Power Management*)

19. Next Meeting – A Special Joint Facilities and Finance Committee meeting is scheduled for February 14, 2024 to review the FY 2025 Budget. The next regular Facilities Committee meeting is scheduled for March 6, 2024.

ADJOURNMENT

SS/cp



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Minutes

Date: December 11, 2023
To: NCPA Facilities Committee
From: Carrie Pollo
Subject: December 6, 2023 Facilities Committee Meeting Minutes

- 1. Call meeting to order & Roll Call** – The meeting was called to order by Committee Chair Alan Harbottle (Alameda) at 9:04 am. Attending via teleconference and/or on-line presentation were Midson Hay, Chris Ferrara, and Ben Rings (Alameda), Josh Cook (Biggs), Jake Carter (Gridley), Brad Wilkie (Lompoc), Shiva Swaminathan (Palo Alto), Nick Rossow (Redding), and Monica Nguyen and Jared Isaacson (Santa Clara). Peter Lorenz (non-voting Representative with TID) also attended via teleconference and on-line presentation. Those attending in person are listed on the attached Attendee Sign-in Sheet. Committee Representatives from BART, Healdsburg, Plumas-Sierra, Port of Oakland, Shasta Lake, TID, and Ukiah were absent. A quorum of the Committee was established.

PUBLIC FORUM

No public comment.

OPEN SESSION

DISCUSSION / ACTION ITEMS

2. Approval of Minutes from the November 1, 2023 Facilities Committee Meeting.

Motion: A motion was made by Josh Cook and seconded by Shiva Swaminathan recommending approval of the minutes from the November 1, 2023 Facilities Committee meeting. 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 NCPA Facilities, Members, SCPPA – Millennium Power Services, Inc. MTGSA-EMS –

Staff presented background information and was seeking a recommendation for Commission approval of a five-year Multi-Task General Services Agreement and Multi-Task Agreement for Purchase of Equipment, Materials and Supplies with Millennium Power Services, Inc. for valve maintenance services and parts, with a not to exceed amount of \$1,000,000, for use at all facilities owned and/or operated by NCPA, NCPA Members, by SCPPA, and SCPPA Members.

This will be a new NCPA vendor. NCPA desires to enter into this agreement so established terms and conditions are in place should this vendor be the successful bidder on future purchases. This

enabling agreement does not commit NCPA to any expenditure of funds. At the time services are needed, NCPA will bid the specific scope of work consistent with NCPA procurement policies and procedures. NCPA has agreements in place with IMI Critical Engineering, Inc. and Carter Process Controls (pending) for similar services. A draft Commission Staff Report and the draft agreement were available for review. It is recommended to place this item on the Commission Consent Calendar.

Motion: A motion was made by Jake Carter and seconded by Shiva Swaminathan recommending Commission approval authorizing the General Manager or his designee to enter into a Multi-Task General Services Agreement and Agreement for Purchase of Equipment, Materials and Supplies with Millennium Power Services, Inc. for valve parts and maintenance 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 any facilities owned and/or operated by NCPA, NCPA Members, by SCPPA and 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 NCPA Facilities, Members, SCPPA – Energy Options, Inc. MTGSA** – Staff presented background information and was seeking a recommendation for Commission approval of a five-year Multi-Task General Services Agreement with Energy Options, Inc. for cooling tower maintenance services, with a not to exceed amount of \$500,000, for use at all facilities owned and/or operated by NCPA, NCPA Members, by SCPPA, and SCPPA Members.

This is a current NCPA vendor. The current agreement with Energy Options is expiring. NCPA has utilized this vendor in the past, and has a good working relationship with this vendor. NCPA desires to enter into this agreement so established terms and conditions are in place should this vendor be the successful bidder on future purchases. This enabling agreement does not commit NCPA to any expenditure of funds. At the time services are needed, NCPA will bid the specific scope of work consistent with NCPA procurement policies and procedures. NCPA has agreements in place for similar services with American Cooling Tower, Creative Cooling Technologies and EvapTech, Inc. A draft Commission Staff Report and the draft agreement were available for review. It is recommended to place this item on the Commission Consent Calendar.

Motion: A motion was made Shiva Swaminathan and seconded by Monica Nguyen recommending Commission approval authorizing the General Manager or his designee to enter into a Multi-Task General Services Agreement with Energy Options, Inc. for cooling tower maintenance related services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$500,000 over five years, for use at any facilities owned and/or operated by NCPA, NCPA Members, by SCPPA and 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.

5. **NCPA Geothermal Facility – Nick Barbieri Trucking, LLC dba Redwood Coast Fuels MTEMS** – Staff presented background information and was seeking a recommendation for Commission approval of a five-year Agreement for Purchase of Equipment, Materials and Supplies with Nick Barbieri Trucking, LLC dba Redwood Coast Fuels for delivery of fuels, oils, lubricants and other miscellaneous petroleum products, with a not to exceed amount of \$2,000,000, for use at NCPA's Geothermal Facility.

NCPA currently has an agreement in place with Nick Barbieri Trucking, LLC dba Redwood Coast Fuels which is expiring. NCPA has utilized this vendor in the past, and has a good working relationship with the vendor. NCPA desires to enter into this agreement so established terms and conditions are in place should this vendor be the successful bidder on future projects. This enabling agreement does not commit NCPA to any expenditure of funds. At the time

services are needed, NCPA will bid the specific scope of work consistent with NCPA procurement policies and procedures. NCPA has agreements in place for similar services with Westgate Petroleum Company, Inc., Valley Pacific Petroleum Services, Inc., and Southern Counties Lubricants, LLC. A draft Commission Staff Report and the draft agreement were available for review. It is recommended to place this item on the Commission Consent Calendar.

Motion: A motion was made by Josh Cook and seconded by Shiva Swaminathan recommending Commission approval authorizing the General Manager or his designee to enter into a Multi-Task Agreement for Purchase of Equipment, Materials and Supplies with Nick Barbieri Trucking, LLC dba Redwood Coast Fuels for 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 NCPA's Geothermal facility. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Lompoc, Palo Alto, Roseville, and Santa Clara. ABSTAIN = Redding. The motion passed.

INFORMATIONAL ITEMS

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

City of Roseville RFP 07-096 – Staff discussed an RFP for Power Management Services for the City of Roseville which includes front office services, reporting, middle and back office services, and supplemental services. The proposal submission deadline is December 21, 2023. Key consideration and impacts include staffing and resources, impacts on internal technology and systems, developing a cost estimate, the timing of integration, and other policy considerations.

NCPA staff believe it would require additional staffing to be fully responsive to the RFP

- 1 FTE in Pre-Scheduling office
- 1 FTE to support the following functions:
 - Technical integration
 - Reporting
 - Contract management

Costs of additional staffing/resources could be off-set with additional service revenues.

- Technology:
 - Scheduling software – BANC / EIM scheduling functionality
 - Database impacts – storage of additional information / new types of information
 - Reporting capability – development of additional tools for reporting and data sharing
 - Mid-Office – development of tools to track and report on active transactional activities
- Estimated services fee
 - Developed using “Nexant” model; developed as if RSVL is receiving services through existing service programs
- Integration
 - Will become high priority project, and will complete with other Agency goals and objectives
- Policy considerations
 - RSVL is a Member of NCPA, but would be taking services via a Services Agreement; as compared to pre-existing program agreements

NCPA will develop a proposal to the City of Roseville RFP 07-096 and present to Roseville for review and consideration.

- 7. Review of Power Supply Assumptions** – Staff provided an overview of the Power Supply Assumptions for the FY 2025 Annual Budget Schedule. SAS OR software is used to optimize generation output as a function of hourly prices, plant operations constraints, outages, and hydro conditions. Average rain, snow, and temperatures are used for the forecast. Key input variables were reviewed by staff, and such input variables were used in the forward curves from EOX's August 31, 2023 model run that forms the basis for the forecasted generation output used in the budget. Staff reviewed the specific data that was used for NCPA Projects including Geo, Hydro, LEC CTs and SFWPA. Summaries of the model outputs were presented to, and reviewed by the Committee. Optimization models were run in November and will be distributed to Plant Managers for review.

The preliminary load-resource balances that will be used in the FY 2025 budget process will be ready for Members review and consideration by January 5, 2024. The final budget inputs are due to the Accounting Division by January 11, 2024, with the final FY 2025 power supply models distributed to Members thereafter. Please contact Ken Goeke with any questions you may have at ken.goeke@ncpa.com.

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

Hydro – Collierville (CV) Power House was at 100% availability during the month of November. New Spicer Meadows (NMS) Power House was at 99% availability due to a 6-hour TIGO for PG&E Comm work. The monthly generation profiles for CV and NMS were shared with the Committee. Precipitation was about half of average for the month. Repairs to the Utica parapet wall and Lake Alpine Dam No 2 have been completed. The main dam for Lake Alpine still has repairs to be completed in 2024. The Utica quinquennial tunnel inspection was also performed during the month.

New Spicer Meadows Reservoir Storage

- 23,445-acre feet decrease (19%) month-over-month
- 125,300-acre feet to 101,855-acre feet
- Storage levels remain strong going into winter
- Optimizing stored water

Current Events

- Projects
 - Completed 125V Spicer battery bank replacement project
 - Replaced McKays Rim Landslide dewatering pump
 - Initiating Beaver Creek sluicing permit renewal process
 - Continued FEMA/OES damage coordination
 - CCWD coordination meetings –December 12th
 - DSOD and FERC approved replacement design of the Lake Alpine handrail and walkway system

CTs – CT1 had 7 starts of 3 forecasted. FYTD total is 57 starts. CT2 had 1 start of 0 forecasted. FYTD total is 27 starts.

▪ **Outages**

- **CT1 Lodi** – Available
- **CT1 Alameda U1/U2** – Available
 - On 11/13/23 @ 1130 thru 1347, Alameda U1 forced due to remote I/O card fault. OMS 14647843.
- **CT2 STIG** – Available

- **CT1 Lodi Run Hours**
 - YTD hours 33.4 of 200 Allowed (based on calendar year)
- **CT1 Alameda Diesel Hours**
 - U1= 4.95 hrs. of 42 (during any consecutive 12-month period)
 - U2= 3.75 hrs. of 42 (during any consecutive 12-month period)
- **Safety and Environmental**
 - No safety issues to report
 - No environmental issues to report
- **2024 Planned Outages**
 - **CT1 Lodi- 1/1/24 thru 1/31/24**
 - CT Controls Upgrade
 - Gas Compressor Maintenance
 - CT Borescope Inspection
 - **CT2 STIG- 4/1/24 thru 4/30/24**
 - **CT1 Alameda U1/U2- 5/1/24 thru 5/31/24**
- **Staff reviewed the CAISO Commitment Runs for November 2023**

Geo – There were no safety incidents on site. However, there was an incident involving vehicle damage and harassment during commute traffic. Safety training is 77% complete. The average Net Generation for the month of November was 48.6 MW. The total net generation was 35 GWh. CY 2023 actual net generation = 490.4 GWh, which is 18.3% below forecast. CY net generation goal is 664.8 GWh. During the month the Unit 4 bridge crane was repaired and RTS re-mobilized to the site. The expected return to service date is late December 2023. The turbine rotor and diaphragm repairs continue for the Unit 1 steam strainer damage. Plant yard and road repairs have been completed.

9. Planning and Operations Update – Staff provided an update on issues related to planning and operations.

- **Resource Integrations**
 - NID Deer Creek – Dec 2023
 - Lodi Strategic Reserve Resource – Nov 2024
 - Scarlet Solar / BESS – Mid-2024
 - Proxima Solar / BESS – Mid-2024
- **Resource Development**
 - ZWEDC – negotiations complete
 - Grace Solar Project – active negotiation
 - Wildcat Solar Project – active proposal
 - NCPA working to refresh Renewable RFP – Q1 2024
 - Influenced by IARP due to be presented to the Commission in January 2024

10. Next Meeting – The next Facilities Committee meeting is scheduled for January 3, 2024.

ADJOURNMENT

The meeting was adjourned at 12:02 pm by the Committee Chair.

**Northern California Power Agency
December 6, 2023 Facilities Committee Meeting
Attendance List**

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

[illegible]

**Northern California Power Agency
December 6, 2023 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>Mayo Ramirez</i>
LOMPOC	
PALO ALTO	
PLUMAS-SIERRA REC	
PORT OF OAKLAND	
REDDING	
ROSEVILLE	<i>B. S. D.</i>
SANTA CLARA	
SHASTA LAKE	
TID	
UKIAH	



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Minutes

To: NCPA Facilities Committee

From: Carrie Pollo

Subject: January 3, 2024 Facilities Committee Meeting Minutes

1. **Call meeting to order & Roll Call** – The meeting was called to order by Committee Chair Shiva Swaminathan (Palo Alto) at 9:09 am. Attending via teleconference and on-line presentation were Alan Harbottle, Ben Rings, and Chris Ferrara (Alameda), Yuliya Shmidt (BART), Basil Wong and Monica Nguyen (Santa Clara). Peter Lorenz (non-voting Representative with TID) also attended via teleconference and on-line presentation. Those attending in person are listed on the attached Attendee Sign-in Sheet. Committee Representatives from Biggs, Gridley, Healdsburg, Lompoc, Plumas-Sierra, Port of Oakland, Redding, Shasta Lake, TID, and Ukiah were absent. A quorum of the Committee was not established.

PUBLIC FORUM

No public comment.

2. **Approval of Minutes from the December 6, 2023 Facilities Committee meeting.**

Due to the lack of a quorum no formal action was taken on this item.

3. **All NCPA Facilities, Members, SPCPA – Irani Engineering, Inc. MTCSA** – Staff presented background information and was seeking a recommendation for Commission approval of a five-year Multi-Task Consulting Services Agreement with Irani Engineering, Inc. for injection well related consulting services, with a not to exceed amount of \$2,000,000, for use at all facilities owned and/or operated by NCPA.

This is a current NCPA vendor whose agreement is expiring. NCPA has utilized this vendor in the past, and has a good working relationship with this vendor. NCPA desires to enter into this agreement so established terms and conditions are in place should this vendor be the successful bidder on future purchases. This enabling agreement does not commit NCPA to any expenditure of funds. At the time services are needed, NCPA will bid the specific scope of work consistent with NCPA procurement policies and procedures. NCPA has an agreement in place for similar services with AECOM Technical Service, Inc. A draft Commission Staff Report and agreement were available for review. It is recommended to place this item on the Commission Consent Calendar.

Due to the lack of a quorum, no formal action was taken. However, the Members present at the meeting voiced their support of the recommendation for Commission approval authorizing the General Manager or his designee to enter into a Multi-Task Consulting Services Agreement with

Irani Engineering, Inc. for injection well related consulting services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$2,000,000 over five years, for use at any facilities owned and/or operated by NCPA, NCPA Members, by SCPPA and SCPPA Members. No other meeting attendees had any objections or questions. This item will move forward to the next Commission Meeting scheduled on January 18, 2024 on the Commission Consent Calendar.

4. **All NCPA Facilities – Advanced Chemical Transport, Inc. dba ACTEnviro MTGSA** – Staff presented background information and was seeking a recommendation for Commission approval of a five-year Multi-Task General Services Agreement with Advanced Chemical Transport, Inc. dba ACTEnviro 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 is a current NCPA vendor whose agreement is expiring. NCPA has utilized this vendor in the past, and has a good working relationship with this vendor. NCPA desires to enter into this agreement so established terms and conditions are in place should this vendor be the successful bidder on future purchases. This enabling agreement does not commit NCPA to any expenditure of funds. At the time services are needed, NCPA will bid the specific scope of work consistent with NCPA procurement policies and procedures. NCPA has agreements in place for similar services with MP Environmental and Ponder Environmental. A draft Commission Staff Report and agreement were available for review. It is recommended to place this item on the Commission Consent Calendar.

Due to the lack of a quorum, no formal action was taken. However, the Members present at the meeting voiced their support of the recommendation for Commission approval authorizing the General Manager or his designee to enter into a Multi-Task General Services Agreement with Advanced Chemical Transport, Inc. dba ACTEnviro for waste removal services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$3,000,000 over five years, for use at any facilities owned and/or operated by NCPA. No other meeting attendees had any objections or questions. This item will move forward to the next Commission Meeting scheduled on January 18, 2024 on the Commission Consent Calendar.

5. **All NCPA Facilities, Members, SCPPA – Process Cooling International, Inc. dba Applied Process Cooling Corp dba APCCO MTGSA** – Staff presented background information and was seeking a recommendation for Commission approval of a five-year Multi-Task General Services Agreement with Process Cooling International, Inc. dba Applied Processing Cooling Corp dba APCCO for insulation related services, with a not to exceed amount of \$4,000,000, for use at all facilities owned and/or operated by NCPA, NCPA Members, SCPPA, and SCPPA Members.

This is a new NCPA vendor. NCPA desires to enter into this agreement so established terms and conditions are in place should this vendor be the successful bidder on future purchases. This enabling agreement does not commit NCPA to any expenditure of funds. At the time services are needed, NCPA will bid the specific scope of work consistent with NCPA procurement policies and procedures. NCPA has agreements in place for similar services with American Insulation & Scaffolding, Bayside Insulation & Construction, Farwest Insulation Contracting and Sunshine Metal Clad. A draft Commission Staff Report and agreement were available for review. It is recommended to place this item on the Commission Consent Calendar.

Due to the lack of a quorum, no formal action was taken. However, the Members present at the meeting voiced their support of the recommendation for Commission approval authorizing the General Manager or his designee to enter into a Multi-Task General Services Agreement with

Process Cooling International Inc. dba Applied Process Cooling Corp. dba APCCO for insulation services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$4,000,000 over five years, for use at any facilities owned and/or operated by NCPA, NCPA Members, by SCPPA and SCPPA Members. No other meeting attendees had any objections or questions. This item will move forward to the next Commission Meeting scheduled on January 18, 2024 on the Commission Consent Calendar.

- 6. All NCPA Facilities, Members, SCPPA – Eaton Corporation MTGSA –** Staff presented background information and was seeking a recommendation for Commission approval of a five-year Multi-Task General Services Agreement with Eaton Corporation for electrical related services, with a not to exceed amount of \$2,000,000, for use at all facilities owned and/or operated by NCPA, NCPA Members, SCPPA, and SCPPA Members.

This is a current NCPA vendor whose agreement is expiring. NCPA has utilized this vendor in the past, and has a good working relationship with this vendor. NCPA desires to enter into this agreement so established terms and conditions are in place should this vendor be the successful bidder on future purchases. This enabling agreement does not commit NCPA to any expenditure of funds. At the time services are needed, NCPA will bid the specific scope of work consistent with NCPA procurement policies and procedures. NCPA has agreements in place for similar services with Contra Costa Electric, Electrical Maintenance Consultants, Electric Power Systems and NorCal Power Services. A draft Commission Staff Report and agreement were available for review. It is recommended to place this item on the Commission Consent Calendar.

Due to the lack of a quorum, no formal action was taken. However, the Members present at the meeting voiced their support of the recommendation for Commission approval authorizing the General Manager or his designee to enter into a Multi-Task General Services Agreement with Eaton Corporation for electrical related services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$2,000,000 over five years, for use at any facilities owned and/or operated by NCPA, NCPA Members, by SCPPA and SCPPA Members. No other meeting attendees had any objections or questions. This item will move forward to the next Commission Meeting scheduled on January 18, 2024 on the Commission Consent Calendar.

- 7. All NCPA Facilities – Univar Solutions, Inc. MTEMS –** Staff presented background information and was seeking a recommendation for Commission approval of a five-year Multi-Task Agreement for Purchase of Equipment, Materials and Supplies with Univar Solutions, Inc. for the purchase of specialty chemicals, with a not to exceed amount of \$1,000,000, for use at all facilities owned and/or operated by NCPA.

NCPA has utilized this vendor in the past, and has a good working relationship with the vendor. NCPA's previous agreement with Univar Solutions, Inc. has expired. NCPA desires to enter into this agreement so established terms and conditions are in place should this vendor be the successful bidder on future purchases. This enabling agreement does not commit NCPA to any expenditure of funds. At the time services are needed, NCPA will bid the specific scope of work consistent with NCPA procurement policies and procedures. NCPA has agreements in place for similar services with Brenntag Pacific, Hill Brothers Chemical Company, Thatcher Company of California, and Dow Chemical (Pending). A draft Commission Staff Report and agreement were available for review. It is recommended to place this item on the Commission Consent Calendar.

Due to the lack of a quorum, no formal action was taken. However, the Members present at the meeting voiced their support of the recommendation for Commission approval authorizing the General Manager or his designee to enter into a Multi-Task Agreement for Purchase of Chemicals

with Univar Solutions, Inc. for specialty chemical purchases, 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 any facilities owned and/or operated by NCPA. No other meeting attendees had any objections or questions. This item will move forward to the next Commission Meeting scheduled on January 18, 2024 on the Commission Consent Calendar.

- 8. All NCPA Facilities (except LEC), Members, SCPPA – Reliable Turbine 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 Reliable Turbine Services, LLC for inspection and maintenance related services, with a not to exceed amount of \$10,000,000, for use at all facilities owned and/or operated by NCPA (except LEC), NCPA Members, SCPPA, and SCPPA Members.

NCPA does not have a current multi-task agreement in place with this vendor. NCPA has used this vendor in the past, and has a good working relationship with this vendor. NCPA desires to enter into this agreement so established terms and conditions are in place should this vendor be the successful bidder on future purchases. This enabling agreement does not commit NCPA to any expenditure of funds. At the time services are needed, NCPA will bid the specific scope of work consistent with NCPA procurement policies and procedures. NCPA has agreements in place with Stephens Mechanical Corporation, TCB Industrial, Inc. and Sulzer Turbo Services Houston, Inc. for similar services. A draft Commission Staff Report and agreement were available for review.

Due to the lack of a quorum, no formal action was taken. However, the Members present at the meeting voiced their support of the recommendation for Commission approval authorizing the General Manager or his designee to enter into a Multi-Task General Services Agreement with Reliable Turbine Services LLC for inspection and maintenance services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$10,000,000 over five years, for use at any facilities owned and/or operated by NCPA (except the Lodi Energy Center), NCPA Members, by SCPPA and SCPPA Members. No other meeting attendees had any objections or questions. This item will move forward to a Special Commission meeting on January 5, 2024.

- 9. All NCPA Facilities, Members, SCPPA – Quantum Spatial, Inc. dba NV5 Geospatial, 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 Quantum Spatial, Inc. dba NV5 Geospatial, Inc. for transmission and distribution line and other modeling and mapping services, accepting assignment of the agreement to NV5 Geospatial, Inc., with no change to not to exceed amount of \$2,000,000 or contract term, for continued use at all facilities owned and/or operated by NCPA, NCPA Members, SCPPA, and SCPPA Members.

NCPA entered into a five-year Multi-Task General Services Agreement with Quantum Spatial, Inc. dba NV5 Geospatial, Inc. effective April 29, 2021, for use at all NCPA, NCPA Member, SCPPA, and SCPPA Member facilities. Effective November 8, 2022, Quantum Spatial, Inc. dba NV5 Geospatial, Inc. changed their name to NV5 Geospatial, Inc. NCPA now desires to enter into a First Amendment to the Multi-Task General Services Agreement accepting assignment to NV5 Geospatial, Inc. The total not to exceed amount of the agreement will remain unchanged at not to exceed \$2,000,000. This enabling agreement does not commit NCPA to any expenditure of funds. At the time services are needed, NCPA will bid the specific scope of work consistent with NCPA procurement policies and procedures. A draft Commission Staff Report, original agreement, and First Amendment were available for review. It is recommended to place this item on the Commission Consent Calendar.

Due to the lack of a quorum, no formal action was taken. However, the Members present at the meeting voiced their support of the recommendation for Commission approval authorizing the General Manager or his designee to enter into a First Amendment to the Multi-Task General Services Agreement with Quantum Spatial, Inc. dba NV5 Geospatial, Inc. for transmission and distribution line modeling and inspection related services, with any non-substantial changes recommended and approved by the NCPA General Counsel, accepting assignment to NV5 Geospatial, Inc., with no change to the not to exceed amount or contract term, for continued use at any facilities owned and/or operated by NCPA, NCPA Members, by SCPPA, and SCPPA Members. No other meeting attendees had any objections or questions. This item will move forward to the next Commission Meeting scheduled on January 18, 2024 on the Commission Consent Calendar.

- 10. All NCPA Facilities – Western Hydrologics, LLP MTCSA –** Staff presented background information and was seeking a recommendation for Commission approval of a five-year Multi-Task Consulting Services Agreement with Western Hydrologics, LLP for hydrological modeling services, with a not to exceed amount of \$1,000,000, for use at all facilities owned and/or operated by NCPA.

This is a current NCPA vendor whose agreement is expiring. NCPA has utilized this vendor in the past, and has a good working relationship with this vendor. NCPA desires to enter into this agreement so established terms and conditions are in place should this vendor be the successful bidder on future purchases. This enabling agreement does not commit NCPA to any expenditure of funds. At the time services are needed, NCPA will bid the specific scope of work consistent with NCPA procurement policies and procedures. NCPA has agreements in place for similar services with CBEC Inc, Sierra Hydrologics, WEST Consultants, Inc., and Zanjero, Inc. A draft Commission Staff Report and agreement were available for review. It is recommended to place this item on the Commission Consent Calendar.

Due to the lack of a quorum, no formal action was taken. However, the Members present at the meeting voiced their support of the recommendation for Commission approval authorizing the General Manager or his designee to enter into a Multi-Task Consulting Services Agreement with Western Hydrologics, LLP for forecasting and modeling related 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 any facilities owned and/or operated by NCPA, NCPA Members, by SCPPA and SCPPA Members. No other meeting attendees had any objections or questions. This item will move forward to the next Commission Meeting scheduled on January 18, 2024 on the Commission Consent Calendar.

- 11. NCPA Hydroelectric Facility – Schneider Electric USA, Inc. 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 Schneider Electric USA, Inc. for electric maintenance related services, extending the contract expiration date to December 31, 2024 and making this agreement for use by NCPA's Hydroelectric facility only for work performed under Purchase Order No. 57190, with no change to not to exceed amount of \$2,000,000.

NCPA entered into a five-year Multi-Task General Services Agreement with Schneider Electric USA, Inc. effective January 28, 2019, for an amount not to exceed \$2,000,000, for use at all NCPA, NCPA Member, SCPPA, and SCPPA Member facilities. NCPA has utilized this vendor for the past five year for electric maintenance services at its Hydroelectric plants, and this vendor has shown themselves to be competent and responsible.

NCPA's current agreement with Schneider Electric USA, Inc. is set to expire on January 28, 2024. NCPA is currently in negotiations with Schneider Electric USA, Inc. for a new five-year

Multi-Task General Services Agreement. NCPA has an open Purchase Order with Schneider Electric USA, Inc. for design/replacement of Collierville's Low Voltage 480v MCC Breakers; this work began in October 2023, and is anticipated to be complete in Fall 2024.

To continue the awarded work without interruption, NCPA now desires to enter into a First Amendment to the current Multi-Task General Services Agreement with Schneider Electric USA, Inc., extending the term of the agreement through December 31, 2024. This First Amendment is for use by NCPA's Hydroelectric Facility for work performed under Purchase Order #57190 only; all other NCPA Facilities, Members, SCPPA and SCPPA Members are being removed from this agreement. The total not to exceed amount of the agreement will remain unchanged at not to exceed \$2,000,000. Purchase orders referencing the terms and conditions of the agreement will be issued following NCPA procurement policies and procedures. NCPA has agreements in place for similar services with Electrical Maintenance Consultants Inc, Siemens Industry, Inc and ABB, Inc. A draft Commission Staff Report, original agreement, and First Amendment were available for review. It is recommended to place this item on the Commission Consent Calendar.

Due to the lack of a quorum, no formal action was taken. However, the Members present at the meeting voiced their support of the recommendation for Commission approval authorizing the General Manager or his designee to enter into a First Amendment to the Multi-Task General Services Agreement with Schneider Electric USA, Inc. for electric maintenance related services, with any non-substantial changes recommended and approved by the NCPA General Counsel, extending the agreement expiration from January 28, 2024 to December 31, 2024, for continued use by NCPA's Hydroelectric Facility for work performed under Purchase Order #57190 only. No other meeting attendees had any objections or questions. This item will move forward to the next Commission Meeting scheduled on January 18, 2024 on the Commission Consent Calendar.

- 12. Ulteig Engineers, Inc. First Amendment to GSA for Meter Maintenance** – Staff provided background information and was seeking a recommendation for Commission approval of a First Amendment to the General Services Agreement between NCPA and Ulteig Engineers, Inc. Accepting Assignment to Ulteig Operations, LLC for Meter Maintenance.

NCPA entered into a five-year General Services Agreement with Ulteig Engineers, Inc. effective June 1, 2023 for an amount not to exceed \$1,200,000 (the "Agreement"), for the purpose of supplying meter maintenance services to certain NCPA Members. Effective January 1, 2024 Ulteig Engineers, Inc. is assigning its work from Ulteig Engineers, Inc. to Ulteig, Operations, LLC. The Agency now desires to amend the Agreement to reflect that change and substitute Ulteig Operations, LLC in place of Ulteig Engineers, Inc. in the Agreement. As a result, NCPA staff have developed the First Amendment to implement this change, specifically substituting Ulteig Operations, LLC in place of Ulteig Engineers, Inc. in the Agreement. The total not to exceed amount of the Agreement will remain unchanged at a not to exceed amount of \$1,200,000.

Due to the lack of a quorum, no formal action was taken. However, the Members present at the meeting voiced their support of the recommendation for Commission approval authorizing the General Manager of NCPA to enter into the First Amendment to the General Services Agreement between NCPA and Ulteig Engineers, Inc. Accepting Assignment to Ulteig Operations, LLC for Meter Maintenance, including any non-substantive modifications to the First Amendment approved by the NCPA General Counsel. No other meeting attendees had any objections or questions. This item will move forward to the next Commission Meeting scheduled on January 18, 2024 on the Commission Consent Calendar.

- 13. NCPA Inter-Agency Resource Plan** – Staff provided background information and was seeking a recommendation for Commission adoption of the NCPA Inter-Agency Resource Plan to

prepare, develop, and maintain a diverse generation resource portfolio in accordance with or exceeding renewable portfolio standards and capacity obligations.

On April 29, 2021 the NCPA Commission approved the Strategic Plan for 2021 – 2026 (Resolution: 21-42). The strategic plan set multiple priorities which included the Agency to evaluate its resources and Member resources to better prepare for the future. In doing so, an Inter-Agency Resource Plan (IARP) was proposed.

The purpose of the IARP was to map a future course of actions to develop and procure resources through 2045 to optimize a resource portfolio to meet the members load forecasts. The IARP is for internal use by NCPA and NCPA Members and not for regulatory filings.

The IARP identified a growing aggregated load demand and new opportunities for NCPA to both procure and operate. Today NCPA Member portfolio meets RA, energy, and RPS mandates. However, the IARP shows new resources are needed after 2026. The completed NCPA IARP summarizes NCPA's resources (current resources, planned new resources, and planned retired resources), integrates energy and peak demand forecasts, and outlines planning scenarios and recommendations based on short, medium, and long-term timelines. The report concludes with recommendations to procure wind, solar, geothermal, short duration storage, and optimize NCPA's current assets, including upgrades and development of new resources. Of these recommendations, a total of 4.6 GW's of capacity was selected by 2045.

Staff is now seeking Commission adoption of the NCPA IARP to be used as a reference to advise and develop future resources and assets for NCPA and NCPA Members.

Due to the lack of a quorum, no formal action was taken. However, the Members present at the meeting voiced their support of the recommendation for Commission approval of the NCPA Inter-Agency Resource Plan to prepare, develop, and maintain a diverse generation resource portfolio in accordance with or exceeding renewable portfolio standards and capacity obligations. No other meeting attendees had any objections or questions. This item will move forward to the next Commission Meeting scheduled on January 18, 2024 on the Commission Consent Calendar.

- ***Terry Crowley with the City of Healdsburg joined the meeting during the presentation of item 13.***

- 14. NCPA Preliminary Studies and Investigations Procedure** – Staff presented background information and was seeking a recommendation for Commission approval of the NCPA Preliminary Studies and Investigations (PS&I) Procedure (GS-201), which will establish a process for the use of funds in the PS&I budget account, including the requirements for project evaluations approvals, funds tracking, and reimbursement.

On March 23, 2023 the NCPA Commission directed NCPA staff to establish a Preliminary Studies and Investigations (PS&I) budget account to fund activities associated with researching and/or evaluating new projects that may be of interest to NCPA Members. The Commission also directed NCPA staff to establish a procedure for the use of these funds.

NCPA staff is now seeking approval of the completed Preliminary Studies and Investigations Procedure (GS-201). As requested by the NCPA Commission, this procedure details the responsibilities and process for utilizing funds from the PS&I budget account. This procedure is applicable to any research or development project that is not specifically connected to an existing NCPA Phase II agreement.

After much discussion between the Committee Representatives on this and the next item, it was decided that these are not ready for Commission approval and that staff would take these items

back to the Commission for discussion and further clarification of the use of the funds for the PS&I Budget Account.

15. NCPA Preliminary Studies and Investigations Conceptual Projects Evaluation Approvals

– Staff presented background information and was seeking a recommendation for Commission approval to proceed with evaluations for two conceptual transmission projects, for an amount not to exceed \$102,000, to be funded from the Preliminary Studies and Investigations (PS&I) budget account.

On March 23, 2023 the NCPA Commission directed NCPA staff to establish a Preliminary Studies and Investigations (PS&I) budget account to fund activities associated with researching and/or evaluating new projects that may be of interest to NCPA Members. The Commission also directed NCPA staff to establish a procedure for the use of these funds. The corresponding Preliminary Studies and Investigations Procedure (GS-201) states that NCPA will present any prospective projects to the Commission for approval prior to spending funds from the PS&I Budget Account for project evaluation activities.

NCPA staff is now seeking approval from the Commission to spend funds to further evaluate two conceptual transmission projects. The prospective projects are summarized below.

Conceptual Transmission Project – NCPA Geothermal Project to City of Healdsburg

This project would be a screening level study for a new transmission source for serving the City of Healdsburg. NCPA has outlined two potential scenarios for the vendor to review as a part of the project evaluation. Scenario One would operate in parallel with the existing system, while the Scenario Two would use the existing system as a backup only. The results of this study will guide if the interconnection has merit and would be recommended to proceed with further development studies.

Conceptual Transmission Project – NCPA Hydroelectric Project to City of Santa Clara (Bellota to Newark)

This project would be a screening level study for a new transmission source between the Bellota area and Newark substation, for serving Silicon Valley Power. NCPA has outlined two potential scenarios for the vendor to review as a part of the project evaluation: Scenario One would lift the leads of the Collierville and New Melones powerhouses and put them on a new dedicated line to Newark, while Scenario Two would create a new transmission path between Bellota and Newark. The results of this study will guide if the interconnection has merit and would be recommended to proceed with further development studies.

After much discussion between the Committee Representatives on this and the prior item, it was decided that these are not ready for Commission approval and that staff would take these items back to the Commission for discussion and further clarification of the use of the funds for the PS&I Budget Account.

16. NCPA Geothermal Facility – Fourth Amendment to Resolution 21-109 for the NCPA

Geothermal Plant 2, Unit 4 Overhaul Project – Staff presented background information and was seeking a recommendation for Commission approval of the Fourth Amendment to Resolution 21-109 for the NCPA Geothermal Plant 2, Unit 4 Overhaul Project, increasing the total not to exceed amount of this project from \$7,400,000 to \$7,681,216 for settlement of the final invoice to close out the project.

On December 2, 2021, the NCPA Commission approved the Geothermal Plant 2 Unit 4 Overhaul Project (Resolution 21-109) for an amount not to exceed \$3,500,000. NCPA hired Reliable Turbine Services, LLC (RTS) to complete the work for the project. Subsequent Amendments to the original Resolution were approved by the Commission in November 2022, April 2023, and

October 2023, increasing the project budget and modifying the Scope of Work due to additional damage discovered by RTS.

During the course of work, numerous issues arose, resulting in extra delays and financial impacts. While NCPA was tracking and monitoring these, some of the final expenditures lagged behind, causing the work to run over the authorized amount. Factors that affected the project include unexpected findings on the row 2 turbine blade covers, extensive effort on the lube oil cleaning and flushing, and additional demobilizations due to a plant crane failure.

The work is now complete and the unit was returned to service on December 19, 2023. NCPA staff is now requesting to increase the project not to exceed amount from \$7,400,000 to \$7,681,216 to account for the remaining charges incurred over the course of this project.

There was discussion among the Committee Representatives with lots of questions regarding this fourth amendment and the cost of the final invoice to close out this project. Staff will bring this item back at a later date for more discussion and approval.

- 17. NCPA Geothermal Facility – Geothermal Plant 1, Unit 2 Overhaul Project** – Staff presented background information and was seeking a recommendation for Commission Approval of the Geothermal Plant 1, Unit 2 Overhaul 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, including approval for the turbine work to be awarded on a sole-source basis, without further approval by the Commission, for a total project cost not to exceed \$6,500,000, and authorizing the use of previously collected Decommissioning Funds to fund the project. These funds are to be replenished over a three-year period through the normal budgeting process.

In March 2023, Geo Plant 1, Unit 1 was taken offline for routine Stretford maintenance. During the course of inspections, NCPA staff found evidence of damage to the steam strainer. Out of an abundance of caution, NCPA also completed an inspection of the steam strainer in Unit 2. No signs of damage were discovered, and after completing routine maintenance, Unit 2 was returned to service.

In May 2023, NCPA hired Reliable Turbine Services, LLC (RTS) to perform a Steam Path Inspection of Unit 1. The Unit 1 rotor was found to have severe wear on the L-0 or last stage turbine blades. The turbine rotor and diaphragms were pulled and sent offsite for refurbishment. It was determined that the L-0 blades could not be repaired, and new blades would need to be manufactured. Because both units were installed at the same time and had similar operating conditions, NCPA staff was concerned about the condition of the blades in Unit 2. So, NCPA staff prepared to complete a thorough visual inspection at the next available opportunity, and to closely monitor the Unit 2 turbine vibration data until an examination could take place.

In December 2023, during a planned transmission line outage scheduled by Pacific Gas and Electric (PG&E), RTS was able to perform a nondestructive visual inspection on the Unit 2 turbine rotor L-0 blades. The visual inspection revealed significant wear on the L-0 blades. As with Unit 1, RTS recommends that the L-0 blades be replaced. Due to the high probability of a catastrophic failure, RTS does not recommend putting Unit 2 back into service until the blade replacement is complete. NCPA consulted with Siemens Energy USA, Inc. for a second opinion. Siemens agreed with RTS' findings that the blades must be replaced and the unit should remain offline until this work is complete. As with the Unit 1 blades, the Unit 2 blades will need to be reverse-engineered.

Plant 1, Unit 2 was scheduled for a planned outage in March 2024. Delaying work to repair the blades until the original planned outage in March poses a safety concern from the deteriorated

state of the blades and will likely result in this outage extending into the critical summer months. Therefore, the recommended course of action is to seek immediate authority to initiate the outage and take advantage of the knowledge, staff, and resources working on Plant 1, Unit 1.

The Scope of Work for the proposed Plant 1, Unit 2 Overhaul includes the following:

- Turbine Overhaul and Generator Testing – The testing is required to ensure the generator maintenance schedule can stay consistent with the turbine maintenance schedule. The turbine overhaul includes identified items such as the L-0 blades and service of Row 4 blades.
- Transportation and Insurance – Required to send the Unit 2 turbine rotor and diaphragms off site for refurbishment.
- Unit 2 GSU Transformer Overhaul – Installation of new bushings, seals, and replacement of transformer oil. This unit currently has several oil leaks that need to be serviced.
- Balance of Plant Work – Maintenance to Plant Pumps, Motors, Cooling Tower equipment, and Stretford System. These systems are critical to the reliability of the plant and require a full plant outage on common systems. NCPA is being proactive on the timing to reduce future unplanned outages.
- Lakeville 230kV Line Repairs – It was identified in the Western line assessment report that the last patch installed was intended to be a temporary measure. A permanent fix is required to ensure reliability of this line and for wildfire mitigation.

Going forward, NCPA's Geothermal staff will begin implementing a new outage task to inspect and borescope the turbines regularly to monitor the degradation and optimally time the outage schedules. These will be adjusted as needed based on conditions discovered.

Due to the lack of a quorum, no formal action was taken. However, the Members present at the meeting voiced their support of the recommendation for Commission approval authorizing the Geothermal (Geo) Plant 1, Unit 2 Turbine Overhaul 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, including approval for the turbine work to be awarded on a sole-source basis, without further approval by the Commission, for a total not to exceed \$7,200,000, and authorizing the use of previously collected Geo Decommissioning Reserve funds to fund the project. These funds are to be replenished by the Project Participants over a three-year period through the normal budgeting process. No other meeting attendees had any objections or questions. This item will move forward to a Special Commission meeting on January 5, 2024.

- 18. Resolution Commending Alan Harbottle** – Adopt a resolution by all Facilities Committee Members commending the service of Alan Harbottle, acting in the role of Facilities Committee Chair during Calendar Year 2023.

Due to the lack of a quorum no formal action was taken on this item.

INFORMATIONAL ITEMS

- 19. New Business Opportunities** – Staff will provide an update regarding new business opportunities.

City of Roseville RFP 07-096 – NCPA submitted a proposal on 12/20/23 to supply Services including core services of front, middle and back offices, and supplemental and future services on a time and material basis.

- Pricing for Proposed Services

- Incremental to RSVL existing Nexant Allocation
- \$1,225,000, escalated at 2.0% per year for Term
- Based on Nexant model simulation
- Transition Timeline
 - Focused integration effort July 2024 – December 2024
 - Procedures, technology, training, integration
- Staffing and Resources
 - Estimate 2 FTE staff additions will be needed
 - Pre-Scheduling and Energy Resource Analyst

Grace Solar Update

- Steps Completed:
 - Executed Non-Binding Letter of Intent for PPA Negotiations
 - Executed Confidentiality Agreement between NCPA and NextEra
- Next Steps:
 - NextEra to provide a draft PPA for consideration; once received NCPA will review and provide feedback to participating members
- Current Member Interest:
 - Biggs, Gridley, Healdsburg, Lodi, Lompoc, Port of Oakland, Plumas-Sierra, Ukiah, Shasta Lake, Santa Clara

Sunrise Energy – McCloud Solar Project

- Project Description:
 - 140 MW Solar PV Project (with BESS option)
 - Solar is Energy Only, BESS pending deliverability
 - Located in NP15; Corning, CA
 - Pricing:
 - Solar PV: \$44.00 / MWh with 0% escalation
 - BESS: \$12.00 / kW-month (subject to deliverability)
 - Term: Solar PV 25-year term, BESS 15-year term
 - Est. COD: 2029
 - Interconnection:
 - Cluster 14 project; Phase 1 complete
 - Interconnected in CAISO BAA; possible BANC interconnection

RAI Energy – Wildcat Energy Farm

- Project Description:
 - 100 MW Solar PV Project (with BESS option)
 - Located in IID; delivered to SP15
 - Pricing:
 - Solar PV: \$36.50 / MWh with 0% escalation
 - BESS: \$15.25 / kW-month
 - NP15 pricing option removed
 - Term: 20-year term
 - Est. COD: 9/1/2026
 - Interconnection:
 - Interconnected to IID
 - Dynamic / Pseudo scheduled into CAISO BAA @ SP15

20. Nexant Cost Allocation Model Billing Determinants for FY 2025 – Staff reviewed the initial calendar year 2023 billing determinants that will be used in the FY 2025 Nexant Cost Allocation Model.

The Nexant Model is the Commission-approved methodology used to allocate Power Management and certain Administrative Services budget costs to Members and Participants. Staff identified and reviewed the source of changes to Members' respective costs from the change in underlying calendar year 2023 operating data used as allocators in the model. The final version of the Nexant Cost Allocation Model and associated underlying operational data are scheduled to be finalized by January 11, 2024, and published to NCPA Connect for Member review and feedback.

The initial allocated results for FY 2025 indicate the biggest increases to Lompoc, Palo Alto, and Alameda by approximately 18.52%, 7.04%, and 6.43% respectively, with the updated CY 2023 determinants. Members with the biggest decreases include Port of Oakland, TID, and Gridley at 27.35%, 17.66%, and 15.58% respectively. Staff reviewed the underlying operational data, and provided an analysis regarding the cost drivers that resulted in the relative percentage changes in the allocations to Members.

The final proposed modifications for the FY 2025 Nexant Cost Allocation Model determinants results will be presented at the February Facilities Committee meeting. Staff will seek a recommendation for Commission approval at that time.

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

Hydro – Collierville (CV) Power House was at 100% availability during the month of December. New Spicer Meadows (NMS) Power House was at 91% availability due to a PG&E TIGO. The monthly generation profiles for CV and NMS were shared with the Committee. Precipitation was less than half of average for the month. It's been a slow start to the water year with low snow pack and precipitation. The McKays 17kV transmission line tripped due to high winds during the month. Vegetation maintenance was performed at the Collierville drainage.

New Spicer Meadows Reservoir Storage

- 9,206-acre feet decrease (9%) month-over-month
- 101,855-acre feet to 92,649-acre feet
- Storage levels remain strong going into winter
- Optimizing stored water

Current Events

- Projects
 - CCWD coordination meetings –January 11th
 - McKays sediment relocation site discussion with local private landowner
 - CV Drainage Project alternatives analysis nearly complete
 - 17KV fire hardening design 75% complete

CTs – CT1 had 0 starts of 0 forecasted. FYTD total is 57 starts. CT2 had 0 starts of 1 forecasted. FYTD total is 27 starts.

Outages

- **CT1 Lodi** – Available
- **CT1 Alameda U1/U2** – Available
- **CT2 STIG** – Available

CT1 Lodi Run Hours

- YTD hours 33.4 of 200 Allowed (based on calendar year)

CT1 Alameda Diesel Hours

- U1= 4.85 hrs. of 42 (during any consecutive 12-month period)
- U2= 3.75 hrs. of 42 (during any consecutive 12-month period)

- **Safety and Environmental**
 - No safety issues to report
 - No environmental issues to report
- **2024 Planned Outages**
 - CT1 Lodi- 1/1/24 thru 1/31/24
 - CT2 STIG- 4/1/24 thru 4/30/24
 - CT1 Alameda U1/U2- 5/1/24 thru 5/31/24
- Staff reviewed the CAISO Commitment Runs for December 2023

Geo – There were no safety incidents for the month of December. The average Net Generation for the month of December was 35.1 MW. The total net generation was 26.1 GWh. CY 2023 actual net generation = 516.6 GWh, which is 22.3% below forecast. CY net generation goal was 664.8 GWh. Photos were shared with the Committee of the progress for the Unit 4 Overhaul Project. Repairs of the spare Unit 4 turbine rotor were completed and the unit was back up online December 19, 2024. Blade roots were sandblasted and cleaned for the Unit 1 steam strainer damage. Staff is waiting for new blades to be installed in late January 2024. Unit 1 diaphragm and seals were repaired and shipped back on December 29, 2023. Unit 2 underwent a turbine rotor inspection.

2024 Outage Update

- Plant 1 – March 24 Outage will be canceled due to the ongoing work at Unit 1 and 2
 - All BOP work will be conducted in Jan and Feb
 - Unit 1 - Outage to be complete by end of Feb
 - Unit 2 - Outage to be complete by end of May
- Plant 2 – May 24 Outage will be canceled due to the recent work performed on Unit 4 in 2023

22. Planning and Operations Update

- Resource Integrations
 - NID Deer Creek – Dec 2023 / Jan 2024
 - Lodi Strategic Reserve Resource – Jan 2024
 - Scarlet Solar / BESS – Mid-2024
 - Proxima Solar / BESS – Mid-2024
- SCPA SC Transition Activities
- Resource Development
 - ZWEDC – negotiations complete
 - Grace Solar Project – active negotiation
 - Wildcat Solar Project – active proposal
 - Sunrise Energy – active proposal
 - NCPA working to refresh Renewable RFP – Q1 2024
 - Influenced by IARP due to presented to the Commission in January 2024
- Ongoing daily operational activities
- The current market conditions and gas storage for the Pacific Region were reviewed
- Current reservoir storage remains high with most reservoirs above or near average

23. Next Meeting – The next Facilities Committee meeting is scheduled for February 7, 2024.

ADJOURNMENT

The meeting was adjourned at 2:00 pm by the Committee Chair.

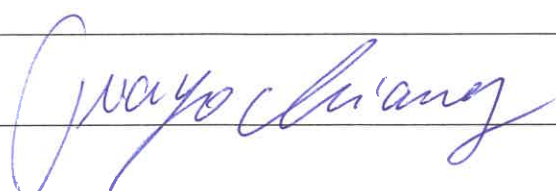

Attendance List

members of the public is voluntary.

[illegible]

**Northern California Power Agency
January 4, 2023 Facilities Committee Meeting
Attendance List**

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

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



Commission Staff Report – *DRAFT*

COMMISSION MEETING DATE: February 22, 2024

SUBJECT: American Power Systems, LLC – Five Year Multi-Task General Services Agreement for Battery Testing Related Services; Applicable to the following: All Northern California Power Agency (NCPA) Facilities, NCPA Members, Southern California Public Power Authority (SCPPA), and SCPPA Members

AGENDA CATEGORY: Consent

FROM:	Michael DeBortoli	METHOD OF SELECTION:
	Assistant General Manager	N/A
Division:	Generation Services	<i>If other, please describe:</i>
Department:	Combustion Turbines	

IMPACTED MEMBERS:		
All Members	<input checked="" type="checkbox"/>	
Alameda Municipal Power	<input type="checkbox"/>	
San Francisco Bay Area Rapid Transit	<input type="checkbox"/>	
City of Biggs	<input type="checkbox"/>	
City of Gridley	<input type="checkbox"/>	
City of Healdsburg	<input type="checkbox"/>	
City of Lodi	<input type="checkbox"/>	
City of Lompoc	<input type="checkbox"/>	
City of Palo Alto	<input type="checkbox"/>	
City of Redding	<input type="checkbox"/>	
City of Roseville	<input type="checkbox"/>	
City of Santa Clara	<input type="checkbox"/>	
City of Shasta Lake	<input type="checkbox"/>	
City of Ukiah	<input type="checkbox"/>	
Plumas-Sierra REC	<input type="checkbox"/>	
Port of Oakland	<input type="checkbox"/>	
Truckee Donner PUD	<input type="checkbox"/>	
Other	<input type="checkbox"/>	
<i>If other, please specify</i>		
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RECOMMENDATION:

Approve Resolution 24-XX authorizing the General Manager or his designee to enter into a Multi-Task General Services Agreement with American Power Systems, LLC for battery testing related services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$500,000 over five years, for use at any facilities owned and/or operated by NCPA, NCPA Members, by SCPPA and SCPPA Members.

BACKGROUND:

Various battery testing related services are required from time to time for the operation and maintenance of facilities owned and/or operated by NCPA, NCPA Members, by SCPPA and SCPPA Members. NCPA has utilized this vendor in the past, and has a good working relationship with this vendor. NCPA desires to enter into this agreement so established terms and conditions are in place should this vendor be the successful bidder on future purchases. NCPA has agreements in place for similar services with Exponential Power, LLC and Nor-Cal Battery Co.

FISCAL IMPACT:

Upon execution, the total cost of the agreement is not to exceed \$500,000 over five years. Purchase orders referencing the terms and conditions of the agreement will be issued following NCPA procurement policies and procedures.

SELECTION PROCESS:

This enabling agreement does not commit NCPA to any expenditure of funds. At the time services are needed, NCPA will bid the specific scope of work consistent with NCPA procurement policies and procedures. NCPA seeks bids from qualified providers as required. Bids are awarded to the vendor providing the best overall value to NCPA. NCPA will issue purchase orders based on cost and availability of the services needed at the time the service is required.

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.

COMMITTEE REVIEW:

Pending Committee review and approval.

AFTER FACILITIES APPROVAL: On February 7, 2024 the Facilities Committee reviewed and endorsed the recommendation above for Commission approval.

AFTER LEC PPC APPROVAL: On February 12, 2024 the Lodi Energy Center Project Participant Committee reviewed and approved the recommendation above for Commission approval.

Respectfully submitted,

RANDY S. HOWARD
General Manager

Attachments (2):

- Resolution 24-XX
- Multi-Task General Services Agreement with American Power Systems, LLC

RESOLUTION 24-XX

**RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY
APPROVING A MULTI-TASK GENERAL SERVICES AGREEMENT WITH AMERICAN
POWER SYSTEMS, LLC**

(reference Staff Report XXX:24)

WHEREAS, various battery testing related services are required from time to time for the operation and maintenance of facilities owned and/or operated by the Northern California Power Agency (NCPA), NCPA Members, by the Southern California Public Power Authority (SCPPA), and SCPPA Members; and

WHEREAS, American Power Systems, LLC is a provider of these services; and

WHEREAS, the NCPA Commission has reviewed the Multi-Task General Services Agreement with American Power Systems, LLC to provide such services as needed at any facilities owned and/or operated by NCPA, NCPA Members, by SCPPA, and SCPPA Members; and

WHEREAS, 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; and

NOW, THEREFORE BE IT RESOLVED, that the Commission of the Northern California Power Agency authorizes the General Manager or his designee to enter into said Multi-Task General Services Agreement, with any non-substantial changes as approved by the NCPA General Counsel, which shall not exceed \$500,000 over five years, for use at any facilities owned and/or operated by NCPA, NCPA Members, by SCPPA, and SCPPA Members.

PASSED, ADOPTED and APPROVED this ____ day of _____, 2024 by the following vote on roll call:

	<u>Vote</u>	<u>Abstained</u>	<u>Absent</u>
Alameda	_____	_____	_____
San Francisco BART	_____	_____	_____
Biggs	_____	_____	_____
Gridley	_____	_____	_____
Healdsburg	_____	_____	_____
Lodi	_____	_____	_____
Lompoc	_____	_____	_____
Palo Alto	_____	_____	_____
Port of Oakland	_____	_____	_____
Redding	_____	_____	_____
Roseville	_____	_____	_____
Santa Clara	_____	_____	_____
Shasta Lake	_____	_____	_____
Truckee Donner	_____	_____	_____
Ukiah	_____	_____	_____
Plumas-Sierra	_____	_____	_____

JERRY SERVENTI
CHAIR

ATTEST:

CARRIE POLLO
ASSISTANT SECRETARY



**MULTI-TASK
GENERAL SERVICES AGREEMENT BETWEEN
THE NORTHERN CALIFORNIA POWER AGENCY AND
AMERICAN POWER SYSTEMS, LLC**

This Multi-Task General Services Agreement ("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 American Power Systems, LLC, a Pennsylvania limited liability company, with its principal office located at 1851 Central PI S, Ste 206, Kent, WA 98030 ("Contractor") (together sometimes referred to as the "Parties") as of _____, 2024 ("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 Work Provided.** Work provided under this Agreement by Contractor may include Work directly to the Agency or, as requested by the Agency and consistent with the terms of this Agreement, to Agency members, Southern California Public Power Authority ("SCPPA") or SCPPA members.
- 1.5 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. Contractor shall have seven calendar days from the date of the Agency's issuance of the Purchase Order in which to respond in writing that Contractor chooses not to perform the Requested Work. If Contractor agrees to perform the Requested Work, begins to perform the Requested Work, or does not respond within the seven day period specified, then Contractor will have

agreed to perform the Requested Work on the terms set forth in the Purchase Order, this Agreement and its Exhibits.

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, to Agency's reasonable satisfaction;
- 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
AcctsPayable@ncpa.com

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 \$2,000,000 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 \$2,000,000 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. Not Applicable.

4.4 Pollution Insurance. Not Applicable.

4.5 All Policies Requirements.

4.5.1 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 and in Section 4.4, if applicable, adding the Agency as an additional insured and declaring such insurance primary in regard to work performed pursuant to this Agreement.

4.5.2 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.

4.5.3 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.

4.5.4 Additional Certificates and Endorsements. If Contractor performs Work for Agency members, SCPPA and/or SCPPA members pursuant to this Agreement, Contractor shall provide the certificates of insurance and policy endorsements, as referenced in Section 4.5.1, naming the specific Agency member, SCPPA and/or SCPPA member for which the Work is to be performed.

4.5.5 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. In addition, 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, 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 for bodily injury or property damage arising out of or in connection with any acts or omissions by Contractor, its officers, officials, agents, and employees, except to the extent caused by the sole, gross or active 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.
- 5.3 Transfer of Title.** Not Applicable.

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.

Contractor shall indemnify, defend, and hold harmless Agency from any lawsuit, administrative action, or other claim for penalties, 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, due to Contractor's failure to secure workers' compensation insurance for its employees, agents, or subcontractors.

Contractor agrees that it is responsible for the provision of group healthcare benefits to its fulltime employees under 26 U.S.C. § 4980H of the Affordable Care Act. To the extent permitted by law, Contractor shall indemnify, defend and hold harmless Agency from any penalty issued to Agency under the Affordable Care Act resulting from the performance of the Services by any employee, agent, or subcontractor 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.
- 6.5 Certification as to California Energy Commission Regarding Hazardous Materials Transport Vendors.** If requested by the Agency, Contractor shall, at the same time it executes this Agreement, execute Exhibit D.

- 6.6** **Maintenance Labor Agreement.** If the Work is subject to the terms of one or more Maintenance Labor Agreements, which are applicable only to certain types of construction, repair and/or maintenance projects, then Contractor shall execute Exhibit E and/or similar documentation as to compliance.

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** **Monitoring by DIR.** The Work is subject to compliance monitoring and enforcement by the Department of Industrial Relations.
- 7.5** **Registration with DIR.** During the term of this Agreement, Contractor warrants that it is registered with the Department of Industrial Relations and qualified to perform Work consistent with Labor Code section 1725.5.
- 7.6** **Prevailing Wage Rates.** 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 the Work is to be performed, and not less than the general prevailing rate of per diem wages for holiday and overtime work as provided in the California Labor Code must be paid to all workers engaged in performing the Work. In accordance with California Labor Code Section 1770 and following, the Director of Industrial Relations has determined the general prevailing wage per diem rates for the locality in which the Work is to be performed; the Agency has obtained the general prevailing rate of per diem wages and the general rate for holiday and overtime work in the locality in which the Work is to be performed for each craft, classification or type of worker needed to perform the project; and copies of the prevailing rate of per diem wages are on file at the Agency and will be made available on request. Throughout the performance of the Work, Contractor must comply with all applicable laws and regulations that apply to wages earned in performance of the Work. Contractor assumes all responsibility for such payments and shall defend, indemnify and hold the Agency harmless from any and all claims made by the State of California, the Department of Industrial Relations, any subcontractor, any worker or any other third party with regard thereto.

Additionally, in accordance with the California Administrative Code, Title 8, Group 3, Article 2, Section 16000, Publication of Prevailing Wage Rates by Awarding Bodies, copies of the applicable determination of the Director can be found on the web at: <http://www.dir.ca.gov/DLSR/PWD/> and may be reviewed at any time.

Contractor shall provide a certified copy of its payroll, on forms to be determined by the Agency and consistent with the Labor Code, within ten (10) days of the Contractor's receipt of Agency's written request therefor. Contractor's failure to timely comply with this provision may subject the Contractor to penalties pursuant to state law.

Contractor shall comply with applicable law, including Labor Code Sections 1774 and 1775. In accordance with Section 1775, Contractor shall forfeit as a penalty to Agency \$200.00 for each calendar day or portion thereof, for each worker paid less than the prevailing rates as determined by the Director of Industrial Relations for such work or craft in which such worker is employed for any Work done under the Agreement by Contractor or by any subcontractor under Contractor in violation of the provisions of the Labor Code and in particular, Labor Code Sections 1770 *et seq.* In addition to the penalty and pursuant to Section 1775, the difference between such prevailing wage rates and the amount paid to each worker for each calendar day or portion thereof for which each worker was paid less than the prevailing wage rate shall be paid to each worker by the Contractor.

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 both of 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 under 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, at Contractor's principal office. 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 this 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, 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. Upon conclusion or termination of the Agreement, Receiving Party shall return to Disclosing Party or destroy Confidential Information (including all copies thereof), 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. 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 the operations of the Agency; if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4; and 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. Neither Agency nor, if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4, will 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. Anything left on the Project site an unreasonable length of time after the Work is completed shall be presumed to have been abandoned by the Contractor. Any transportation furnished by Agency or, if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4, shall be solely as an accommodation and neither Agency nor, if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4, shall have 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 equipment owned and property provided by Agency and, if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4, 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 site programs established by Agency and, if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4.

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 shall include diesel fuel used for trucks owned or leased by the Contractor.
- 12.10** If Contractor is providing Work to an Agency Member, SCPPA or SCPPA member (collectively "Member" solely for the purpose of this section) pursuant to Section 1.4 hereof, then that Member shall have the same rights as the Agency under Sections 12.1, 12.2, 12.4, 12.5, and 12.6 hereof.

Section 13. MISCELLANEOUS PROVISIONS.

13.1 Reserved.

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 the Assistant General Manager, Generation Services, 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:

American Power Systems, LLC
Attention: Legal
1851 Central PI S, Ste 206
Kent, WA 98030

Any written notice to Agency shall be sent to:

Randy S. Howard
General Manager
Northern California Power Agency
651 Commerce Drive
Roseville, CA 95678

With a copy to:

Jane E. Luckhardt
General Counsel
Northern California Power Agency
651 Commerce Drive
Roseville, CA 95678

- 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 remedy 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, a Purchase Order, or Contractor's Proposal (if any), the Agreement shall control. In the case of any conflict between the Exhibits hereto and a Purchase Order or the Contractor's Proposal, the Exhibits shall control. In the case of any conflict between the terms of a Purchase Order and the Contractor's Proposal, the Purchase Order 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. However, should Contractor provide Work to an Agency member, SCPPA or SCPPA member (collectively for the purpose of this section only "Member") pursuant to Section 1.4, the parties recognize that such Member may be a third party beneficiary solely as to the Purchase Order and Requested Work relating to such Member.

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

NORTHERN CALIFORNIA POWER AGENCY

AMERICAN POWER SYSTEMS, LLC

Date_____

Date_____

RANDY S. HOWARD,
General Manager

JASON GARDNER,
Director of Compliance

Attest:

Assistant Secretary of the Commission

Approved as to Form:

Jane E. Luckhardt, General Counsel

EXHIBIT A

SCOPE OF WORK

American Power Systems, LLC ("Contractor") shall provide battery related services related to project support and plant operations as requested by the Northern California Power Agency ("Agency") at any Facilities owned or operated by NCPA, NCPA Members, Southern California Public Power Authority (SCPPA) or SCPPA members.

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

- Battery Testing - IEEE Capacity, Internal Resistance Capacity
- Battery Maintenance - Preventive, Basic, Extended, Customized
- Battery Installation
- Battery Monitoring - Central Office, Cell Sites, UPS, Remote, VRLA, Flooded
- Temporary Battery Systems - Hot Cuts, Rentals, Emergencies
- Design Recommendations - sizing, layouts, material, logistics
- Project Management- installation and multi-site scheduling
- Assessment and Maintenance -Telecom, UPS, System Upgrades, Central Office, Cell Site, Substation, Remote Sites, Power Plants, Distribution, Batteries, Grounding, Cabling, Iron Work, Buss Work
- Site Audits - Power, Grounding, Infrastructure
- Spill Containment - Telecom, UPS, Utility, VRLA, Flooded
- Logistical Support - Labor, Material Procurement, Site Delivery, Warehousing
- Certified Battery Disposal - Removal and Recycling / Disposal of Lead Acid Batteries
- Training – System Design, Batteries, Power, Applications, Sizing, Safety, Maintenance

No project under this Agreement shall include Work that would qualify as a Public Works Project under the California Public Contract Code.

EXHIBIT B

COMPENSATION SCHEDULE AND HOURLY FEES

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

- Contractor provides firm-fixed-price quotes for Requested Work. In the event Agency needs work performed outside of a firm-fixed-price quote, the following labor rates shall apply:
- Prevailing wage rates of one hundred sixty dollars (\$165) per hour for straight-time hours.
- Prevailing wage rates of two hundred twenty-five dollars (\$225) per hour for overtime hours, including daily, Saturday, or Sunday and Holiday.
- Travel time shall be billed at the appropriate Prevailing Wage rate listed above.**
- Overnight Travel Expense rate of two hundred fifty dollars (\$250) per technician per night or other such rate as required by law.**

Prevailing wage rates are subject to adjustment by the California Department of Labor. Current rates will be reflected in responses to requests for Work quotes or Purchase Orders for the time period for which the work will be performed.

Pricing for services to be performed at NCPA Member or SCPPA locations will be quoted at the time services are requested.

****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

American Power Systems, LLC

(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.

NOT APPLICABLE

EXHIBIT D

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, subpart I and has conducted employee background investigations in conformity with 49 CFR 172.802(a), 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.

NOT APPLICABLE

EXHIBIT E

**ATTACHMENT A [from MLA]
AGREEMENT TO BE BOUND**

**MAINTENANCE LABOR AGREEMENT ATTACHMENT
LODI ENERGY CENTER PROJECT**

The undersigned hereby certifies and agrees that:

- 1) It is an Employer as that term is defined in Section 1.4 of the Lodi Energy Center Project Maintenance Labor Agreement ("Agreement" solely for the purposes of this Exhibit E) because it has been, or will be, awarded a contract or subcontract to assign, award or subcontract Covered Work on the Project (as defined in Section 1.2 and 2.1 of the Agreement), or to authorize another party to assign, award or subcontract Covered Work, or to perform Covered Work.
- 2) In consideration of the award of such contract or subcontract, and in further consideration of the promises made in the Agreement and all attachments thereto (a copy of which was received and is hereby acknowledged), it accepts and agrees to be bound by the terms and condition of the Agreement, together with any and all amendments and supplements now existing or which are later made thereto.
- 3) If it performs Covered Work, it will be bound by the legally established trust agreements designated in local master collective bargaining agreements, and hereby authorizes the parties to such local trust agreements to appoint trustees and successor trustee to administer the trust funds, and hereby ratifies and accepts the trustees so appointed as if made by the undersigned.
- 4) It has no commitments or agreements that would preclude its full and complete compliance with the terms and conditions of the Agreement.
- 5) It will secure a duly executed Agreement to be Bound, in form identical to this documents, from any Employer(s) at any tier or tiers with which it contracts to assign, award, or subcontract Covered Work, or to authorize another party to assign, award or subcontract Covered Work, or to perform Covered Work.

DATED: _____ Name of Employer _____

(Authorized Officer & Title)

(Address)



Commission Staff Report – *DRAFT*

COMMISSION MEETING DATE: February 22, 2024

SUBJECT: KW Emerson, Inc – Five Year Multi-Task General Services Agreement for General Maintenance Related Services; Applicable to the following: All Northern California Power Agency (NCPA) Facilities, NCPA Members, Southern California Public Power Authority (SCPPA), and SCPPA Members

AGENDA CATEGORY: Consent

FROM:	Michael DeBortoli	METHOD OF SELECTION:
	Assistant General Manager	N/A
Division:	Generation Services	<i>If other, please describe:</i>
Department:	Hydroelectric	

IMPACTED MEMBERS:		
All Members	<input checked="" type="checkbox"/>	
Alameda Municipal Power	<input type="checkbox"/>	
San Francisco Bay Area Rapid Transit	<input type="checkbox"/>	
City of Biggs	<input type="checkbox"/>	
City of Gridley	<input type="checkbox"/>	
City of Healdsburg	<input type="checkbox"/>	
City of Lodi	<input type="checkbox"/>	
City of Lompoc	<input type="checkbox"/>	
City of Palo Alto	<input type="checkbox"/>	
City of Redding	<input type="checkbox"/>	
City of Roseville	<input type="checkbox"/>	
City of Santa Clara	<input type="checkbox"/>	
City of Shasta Lake	<input type="checkbox"/>	
City of Ukiah	<input type="checkbox"/>	
Plumas-Sierra REC	<input type="checkbox"/>	
Port of Oakland	<input type="checkbox"/>	
Truckee Donner PUD	<input type="checkbox"/>	
Other	<input type="checkbox"/>	
<i>If other, please specify</i>		
<hr/>		
<hr/>		

RECOMMENDATION:

Approve Resolution 24-XX authorizing the General Manager or his designee to enter into a Multi-Task General Services Agreement with KW Emerson, Inc for general maintenance related services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$1,000,000 over five years, for use at any facilities owned and/or operated by NCPA, NCPA Members, by SCPPA, and SCPPA Members.

BACKGROUND:

General maintenance services, including concrete patching maintenance, minor dam maintenance, minor road and drainage maintenance related services are required from time to time for the operation and maintenance of facilities owned and/or operated by NCPA, NCPA Members, by SCPPA, and SCPPA Members. The current agreement with KW Emerson, Inc expired. NCPA has utilized this vendor in the past and has a good working relationship with this vendor. NCPA desires to enter into this agreement so established terms and conditions are in place should this vendor be the successful bidder on future purchases. NCPA has agreements in place for similar services with Capital Industrial Restoration, Ford Construction, Epidendio Construction, Inc., Granite Construction Co., Gold Electric, Inc. and Syblon Reid.

FISCAL IMPACT:

Upon execution, the total cost of the agreement is not to exceed \$1,000,000 over five years. Purchase orders referencing the terms and conditions of the agreement will be issued following NCPA procurement policies and procedures.

SELECTION PROCESS:

This enabling agreement does not commit NCPA to any expenditure of funds. At the time services are needed, NCPA will bid the specific scope of work consistent with NCPA procurement policies and procedures. NCPA seeks bids from qualified providers as required. Bids are awarded to the vendor providing the best overall value to NCPA. NCPA will issue purchase orders based on cost and availability of the services needed at the time the service is required.

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.

COMMITTEE REVIEW:

Pending Committee review and approval.

AFTER FACILITIES APPROVAL: On February 7, 2024 the Facilities Committee reviewed and endorsed the recommendation above for Commission approval.

AFTER LEC PPC APPROVAL: On February 12, 2024 the Lodi Energy Center Project Participant Committee reviewed and approved the recommendation above for Commission approval.

Respectfully submitted,

RANDY S. HOWARD
General Manager

Attachments (2):

- Resolution 24-XX
- Multi-Task General Services Agreement with KW Emerson, Inc

RESOLUTION 24-XX

**RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY
APPROVING A MULTI-TASK GENERAL SERVICES AGREEMENT WITH KW EMERSON,
INC**

(reference Staff Report #XXX:24)

WHEREAS, superficial concrete patching maintenance, minor dam maintenance, minor road and drainage maintenance related services are required from time to time for the operation and maintenance of facilities owned and/or operated by the Northern California Power Agency (NCPA), NCPA Members, by the Southern California Public Power Authority (SCPPA), and SCPPA Members; and

WHEREAS, KW Emerson, Inc is a provider of these services; and

WHEREAS, the NCPA Commission has reviewed the Multi-Task General Services Agreement with KW Emerson, Inc to provide such services as needed at any facilities owned and/or operated by NCPA, NCPA Members, by SCPPA, and SCPPA Members; and

WHEREAS, 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; and

NOW, THEREFORE BE IT RESOLVED, that the Commission of the Northern California Power Agency authorizes the General Manager or his designee to enter into said Multi-Task General Services Agreement, with any non-substantial changes as approved by the NCPA General Counsel, which shall not exceed \$1,000,000 over five years, for use at any facilities owned and/or operated by NCPA, NCPA Members, by SCPPA, and SCPPA Members.

PASSED, ADOPTED and APPROVED this ____ day of _____, 2024 by the following vote on roll call:

	<u>Vote</u>	<u>Abstained</u>	<u>Absent</u>
Alameda	_____	_____	_____
San Francisco BART	_____	_____	_____
Biggs	_____	_____	_____
Gridley	_____	_____	_____
Healdsburg	_____	_____	_____
Lodi	_____	_____	_____
Lompoc	_____	_____	_____
Palo Alto	_____	_____	_____
Port of Oakland	_____	_____	_____
Redding	_____	_____	_____
Roseville	_____	_____	_____
Santa Clara	_____	_____	_____
Shasta Lake	_____	_____	_____
Truckee Donner	_____	_____	_____
Ukiah	_____	_____	_____
Plumas-Sierra	_____	_____	_____

JERRY SERVENTI
CHAIR

ATTEST:

CARRIE POLLO
ASSISTANT SECRETARY



**MULTI-TASK
GENERAL SERVICES AGREEMENT BETWEEN
THE NORTHERN CALIFORNIA POWER AGENCY AND
K.W. EMERSON, INC.**

This Multi-Task General Services Agreement ("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 K.W. Emerson, Inc., a corporation with its office located at 413 West St. Charles Street, San Andreas, CA 95249 ("Contractor") (together sometimes referred to as the "Parties") as of _____, 2024 ("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 Work Provided.** Work provided under this Agreement by Contractor may include Work directly to the Agency or, as requested by the Agency and consistent with the terms of this Agreement, to Agency members, Southern California Public Power Authority ("SCPPA") or SCPPA members.
- 1.5 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. Contractor shall have seven calendar days from the date of the Agency's issuance of the Purchase Order in which to respond in writing that Contractor chooses not to perform the Requested Work. If Contractor agrees to perform the Requested Work, begins to perform the Requested Work, or does not respond within the seven day period specified, then Contractor will have

agreed to perform the Requested Work on the terms set forth in the Purchase Order, this Agreement and its Exhibits.

Section 2. COMPENSATION. Agency hereby agrees to pay Contractor an amount **NOT TO EXCEED** ONE MILLION dollars (\$1,000,000.00) 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, to Agency's reasonable satisfaction;
- 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
AcctsPayable@ncpa.com

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 \$2,000,000 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 \$2,000,000 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. Not Applicable.

4.4 Pollution Insurance. Not Applicable.

4.5 All Policies Requirements.

4.5.1 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 and in Section 4.4, if applicable, adding the Agency as an additional insured and declaring such insurance primary in regard to work performed pursuant to this Agreement.

4.5.2 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.

4.5.3 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.

4.5.4 Additional Certificates and Endorsements. If Contractor performs Work for Agency members, SCPPA and/or SCPPA members pursuant to this Agreement, Contractor shall provide the certificates of insurance and policy endorsements, as referenced in Section 4.5.1, naming the specific Agency member, SCPPA and/or SCPPA member for which the Work is to be performed.

4.5.5 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. In addition, 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.

Contractor shall indemnify, defend, and hold harmless Agency from any lawsuit, administrative action, or other claim for penalties, 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, due to Contractor's failure to secure workers' compensation insurance for its employees, agents, or subcontractors.

Contractor agrees that it is responsible for the provision of group healthcare benefits to its fulltime employees under 26 U.S.C. § 4980H of the Affordable Care Act. To the extent permitted by law, Contractor shall indemnify, defend and hold harmless Agency from any penalty issued to Agency under the Affordable Care Act resulting from the performance of the Services by any employee, agent, or subcontractor 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.
- 6.5 Certification as to California Energy Commission Regarding Hazardous Materials Transport Vendors.** If requested by the Agency, Contractor shall, at the same time it executes this Agreement, execute Exhibit D.
- 6.6 Maintenance Labor Agreement.** If the Work is subject to the terms of one or more Maintenance Labor Agreements, which are applicable only to certain types

of construction, repair and/or maintenance projects, then Contractor shall execute Exhibit E and/or similar documentation as to compliance.

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 Monitoring by DIR.** The Work is subject to compliance monitoring and enforcement by the Department of Industrial Relations.
- 7.5 Registration with DIR.** During the term of this Agreement, Contractor warrants that it is registered with the Department of Industrial Relations and qualified to perform Work consistent with Labor Code section 1725.5.
- 7.6 Prevailing Wage Rates.** 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 the Work is to be performed, and not less than the general prevailing rate of per diem wages for holiday and overtime work as provided in the California Labor Code must be paid to all workers engaged in performing the Work. In accordance with California Labor Code Section 1770 and following, the Director of Industrial Relations has determined the general prevailing wage per diem rates for the locality in which the Work is to be performed; the Agency has obtained the general prevailing rate of per diem wages and the general rate for holiday and overtime work in the locality in which the Work is to be performed for each craft, classification or type of worker needed to perform the project; and copies of the prevailing rate of per diem wages are on file at the Agency and will be made available on request. Throughout the performance of the Work, Contractor must comply with all applicable laws and regulations that apply to wages earned in performance of the Work. Contractor assumes all responsibility for such payments and shall defend, indemnify and hold the Agency harmless from any and all claims made by the State of California, the Department of Industrial Relations, any subcontractor, any worker or any other third party with regard thereto.

Additionally, in accordance with the California Administrative Code, Title 8, Group 3, Article 2, Section 16000, Publication of Prevailing Wage Rates by Awarding

Bodies, copies of the applicable determination of the Director can be found on the web at: <http://www.dir.ca.gov/DLSR/PWD/> and may be reviewed at any time.

Contractor shall provide a certified copy of its payroll, on forms to be determined by the Agency and consistent with the Labor Code, within ten (10) days of the Contractor's receipt of Agency's written request therefor. Contractor's failure to timely comply with this provision may subject the Contractor to penalties pursuant to state law.

Contractor shall comply with applicable law, including Labor Code Sections 1774 and 1775. In accordance with Section 1775, Contractor shall forfeit as a penalty to Agency \$200.00 for each calendar day or portion thereof, for each worker paid less than the prevailing rates as determined by the Director of Industrial Relations for such work or craft in which such worker is employed for any Work done under the Agreement by Contractor or by any subcontractor under Contractor in violation of the provisions of the Labor Code and in particular, Labor Code Sections 1770 *et seq.* In addition to the penalty and pursuant to Section 1775, the difference between such prevailing wage rates and the amount paid to each worker for each calendar day or portion thereof for which each worker was paid less than the prevailing wage rate shall be paid to each worker by the Contractor.

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 both of 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 under 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 this 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, 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. Upon conclusion or termination of the Agreement, Receiving Party shall return to Disclosing Party or destroy Confidential Information (including all copies thereof), 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. 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 the operations of the Agency; if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4; and 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. Neither Agency nor, if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4, will 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. Anything left on the Project site an unreasonable length of time after the Work is completed shall be presumed to have been abandoned by the Contractor. Any transportation furnished by Agency or, if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4, shall be solely as an accommodation and neither Agency nor, if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4, shall have 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 equipment owned and property provided by Agency and, if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4, 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 site programs established by Agency and, if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4.

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 shall include diesel fuel used for trucks owned or leased by the Contractor.
- 12.10** If Contractor is providing Work to an Agency Member, SCPPA or SCPPA member (collectively "Member" solely for the purpose of this section) pursuant to Section 1.4 hereof, then that Member shall have the same rights as the Agency under Sections 12.1, 12.2, 12.4, 12.5, and 12.6 hereof.

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 the Assistant General Manager, Generation Services, 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:

Rusti Emerson, President
K.W. Emerson, Inc.
P.O. Box 549
San Andreas, CA 95249

Any written notice to Agency shall be sent to:

Randy S. Howard
General Manager
Northern California Power Agency
651 Commerce Drive
Roseville, CA 95678

With a copy to:

Jane E. Luckhardt
General Counsel
Northern California Power Agency
651 Commerce Drive
Roseville, CA 95678

- 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 remedy 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, a Purchase Order, or Contractor's Proposal (if any), the Agreement shall control. In the case of any conflict between the Exhibits hereto and a Purchase Order or the Contractor's Proposal, the Exhibits

shall control. In the case of any conflict between the terms of a Purchase Order and the Contractor's Proposal, the Purchase Order 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. However, should Contractor provide Work to an Agency member, SPPA or SPPA member (collectively for the purpose of this section only "Member") pursuant to Section 1.4, the parties recognize that such Member may be a third party beneficiary solely as to the Purchase Order and Requested Work relating to such Member.

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

NORTHERN CALIFORNIA POWER AGENCY

K.W. EMERSON, INC.

Date _____

Date _____

RANDY S. HOWARD,
General Manager

RUSTI EMERSON,
President

Attest:

Assistant Secretary of the Commission

Approved as to Form:

Jane E. Luckhardt, General Counsel

EXHIBIT A

SCOPE OF WORK

As requested by the Northern California Power Agency ("Agency"), K.W. Emerson, Inc. ("Contractor") shall provide routine, recurring, and usual maintenance services for the preservation, protection, and keeping of any facilities owned or operated by the Agency, its Members, SCPPA, or SCPPA Members, in a safe and continually usable condition.

Maintenance services may include:

- Asphalt patch paving;
- Concrete patching and maintenance;
- Minor dam maintenance; and
- Minor road / drainage maintenance.

No project under this Agreement shall include Work that would qualify as a Public Works Project under the California Public Contract Code.

EXHIBIT B

COMPENSATION SCHEDULE AND HOURLY FEES

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

WORK TO BE PAID FOR ON A TIME AND MATERIAL BASIS (COST PLUS 15 %) AS FOLLOWS:			
LABOR CLASS	REGULAR WAGE	PREVAILING WAGE	
Superintendent	\$109.00	\$135.00	
Foreman	\$97.00	\$125.00	
Operator	\$91.00	\$117.00	
Truck Driver	\$78.00	\$102.00	
Laborer	\$74.00	\$96.00	
EQUIPMENT	UNOPERATED RATE	OPERATED RATE	OPERATED RATE
Fiat-Allis 745 Log Loader	\$61.00	\$152.00	\$178.00
Cat 980 C Loader	\$99.00	\$190.00	\$216.00
Cat 950 H Loader	\$85.00	\$176.00	\$202.00
Cat 289 / 299 Skid Steer Loader	\$45.00	\$136.00	\$162.00
Deere 210 LE Box Scraper	\$45.00	\$136.00	\$162.00
Cat 415 F2 Box Scraper	\$48.00	\$139.00	\$165.00
Timberjack Log Skidder	\$55.00	\$146.00	\$172.00
Cat 631 C Scraper	\$142.00	\$233.00	\$259.00
Cat 308 E Excavator	\$54.00	\$145.00	\$171.00
Cat 320 C Excavator	\$107.00	\$198.00	\$224.00
Cat 320 C Excavator with 5,000 LB. Hammer	\$202.00	\$293.00	\$319.00
Cat 330 B Excavator	\$122.00	\$213.00	\$239.00
Cat 335 F Excavator	\$135.00	\$226.00	\$252.00
Cat D6 C Dozer	\$65.00	\$156.00	\$182.00
Cat D6 H Dozer	\$83.00	\$174.00	\$200.00
Cat D6 T Dozer	\$103.00	\$194.00	\$220.00
Cat D6 R Dozer	\$130.00	\$221.00	\$247.00
Cat D6 T Dozer	\$145.00	\$236.00	\$262.00
Cat D6 L Dozer	\$185.00	\$276.00	\$302.00
Cat 416 Backhoe	\$49.00	\$140.00	\$166.00
Cat 420 Backhoe	\$55.00	\$148.00	\$172.00
Cat 446 Backhoe	\$65.00	\$158.00	\$182.00
Cat 446 Backhoe with 2,000 LB. Hammer	\$154.00	\$245.00	\$271.00
Cat 450 Backhoe	\$68.00	\$159.00	\$185.00
Cat 14 G Grader	\$105.00	\$198.00	\$222.00
Cat 14 G Grader w/ GPS	\$125.00	\$218.00	\$242.00
Cat 140 M Grader	\$115.00	\$208.00	\$232.00
Cat 130 G Grader	\$68.00	\$159.00	\$185.00
Bladmore 747 Grader	\$44.00	\$135.00	\$161.00
Cat 815 F Compactor	\$92.00	\$183.00	\$209.00
Cat CS78 84" Vibratory Compactor	\$78.00	\$169.00	\$195.00
Cat CP563 C 84" Vibratory Compactor	\$65.00	\$156.00	\$182.00
Cat CP323 C 42" Vibratory Compactor	\$45.00	\$136.00	\$162.00
Cat 224 B 48" Double Drum Roller	\$45.00	\$136.00	\$162.00
Volvo DB35 B 54" Double Drum Roller	\$45.00	\$136.00	\$162.00
Volvo P7110 B Paving Machine	\$250.00	\$341.00	\$367.00
Transfer Truck	\$60.00	\$151.00	\$177.00
10 Yard Dump Truck (10 Wheeler)	\$44.00	\$135.00	\$161.00
Mechanic Truck	\$45.00	\$136.00	\$162.00
Water Truck - 4,000 Gallons	\$44.00	\$135.00	\$161.00
Water Truck - 2,000 Gallons	\$35.00	\$126.00	\$152.00
Foreman Pickup	\$22.00	\$119.00	\$147.00
Rebel Hurricane Vac Truck	\$200.00	\$297.00	\$325.00
Cenotech C60 Concrete Truck	\$175.00	\$272.00	\$300.00
Lowbed Transport		\$125.00	
Lowbed Transport - Oversize		\$135.00	
Lowbed Transport - Oversize & Scraper Dolly		\$150.00	
Pilot Car		\$65.00	
375 CFM Air Compressor	\$300.00 / Day		
Laser	\$50.00 / Day		
2000W - 3500W Generator	\$50.00 / Day		
4,000 PSI Pressure Washer	\$200.00 / Day		
Vibratory Plate Compactor	\$95.00 / Day		
Rammex Compactor	\$250.00 / Day		
Whacker Compactor	\$75.00 / Day		
Chain Saw	\$25.00 / Day		
2" Submersible Pump	\$110.00 / Day		
6" Trailer Mounted Trash Pump	\$350.00 / Day		
Vermeer Trailer Mounted Vacuum	\$250.00 / Day		
Transportation Permits	Cost Plus 15%		

Pricing for services to be performed at NCPA Member or SCPPA locations will be quoted at the time services are requested. 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.

EXHIBIT D – NOT APPLICABLE

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, subpart I and has conducted employee background investigations in conformity with 49 CFR 172.802(a), 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.

EXHIBIT E

**ATTACHMENT A [from MLA]
AGREEMENT TO BE BOUND**

**MAINTENANCE LABOR AGREEMENT ATTACHMENT
LODI ENERGY CENTER PROJECT**

The undersigned hereby certifies and agrees that:

- 1) It is an Employer as that term is defined in Section 1.4 of the Lodi Energy Center Project Maintenance Labor Agreement ("Agreement" solely for the purposes of this Exhibit E) because it has been, or will be, awarded a contract or subcontract to assign, award or subcontract Covered Work on the Project (as defined in Section 1.2 and 2.1 of the Agreement), or to authorize another party to assign, award or subcontract Covered Work, or to perform Covered Work.
- 2) In consideration of the award of such contract or subcontract, and in further consideration of the promises made in the Agreement and all attachments thereto (a copy of which was received and is hereby acknowledged), it accepts and agrees to be bound by the terms and condition of the Agreement, together with any and all amendments and supplements now existing or which are later made thereto.
- 3) If it performs Covered Work, it will be bound by the legally established trust agreements designated in local master collective bargaining agreements, and hereby authorizes the parties to such local trust agreements to appoint trustees and successor trustee to administer the trust funds, and hereby ratifies and accepts the trustees so appointed as if made by the undersigned.
- 4) It has no commitments or agreements that would preclude its full and complete compliance with the terms and conditions of the Agreement.
- 5) It will secure a duly executed Agreement to be Bound, in form identical to these documents, from any Employer(s) at any tier or tiers with which it contracts to assign, award, or subcontract Covered Work, or to authorize another party to assign, award or subcontract Covered Work, or to perform Covered Work.

DATED: _____ Name of Employer _____

(Authorized Officer & Title)

(Address)



Commission Staff Report – *DRAFT*

COMMISSION MEETING DATE: February 22, 2024

SUBJECT: Alliance Cooling Products and Construction, Inc. – First Amendment to Five Year Multi-Task General Services Agreement for Maintenance Services; Applicable to the following: All Northern California Power Agency (NCPA) Facilities, NCPA Members, Southern California Public Power Authority (SCPPA), and SCPPA Members

AGENDA CATEGORY: Consent

FROM:	Randy S. Howard	METHOD OF SELECTION:
	General Manager	N/A
Division:	Generation Services	<i>If other, please describe:</i>
Department:	Geothermal	

IMPACTED MEMBERS:		
All Members	<input checked="" type="checkbox"/>	
Alameda Municipal Power	<input type="checkbox"/>	
San Francisco Bay Area Rapid Transit	<input type="checkbox"/>	
City of Biggs	<input type="checkbox"/>	
City of Gridley	<input type="checkbox"/>	
City of Healdsburg	<input type="checkbox"/>	
City of Lodi	<input type="checkbox"/>	
City of Lompoc	<input type="checkbox"/>	
City of Palo Alto	<input type="checkbox"/>	
City of Redding	<input type="checkbox"/>	
City of Roseville	<input type="checkbox"/>	
City of Santa Clara	<input type="checkbox"/>	
City of Shasta Lake	<input type="checkbox"/>	
City of Ukiah	<input type="checkbox"/>	
Plumas-Sierra REC	<input type="checkbox"/>	
Port of Oakland	<input type="checkbox"/>	
Truckee Donner PUD	<input type="checkbox"/>	
Other	<input type="checkbox"/>	
<i>If other, please specify</i>		
<hr/>		
<hr/>		

RECOMMENDATION:

Approve Resolution 23-XX authorizing the General Manager or his designee to enter into a First Amendment to the Multi-Task General Services Agreement with Alliance Cooling Products and Construction, Inc. for maintenance services, including cooling tower structures and equipment, stretford systems, buildings, structures, fiberglass piping, and other miscellaneous maintenance, with any non-substantial changes recommended and approved by the NCPA General Counsel, increasing the not to exceed amount from \$1,000,000 to \$6,000,000 and amending Exhibit B – Compensation Schedule and Hourly Fees, for continued use at any facilities owned and/or operated by NCPA, NCPA Members, by SCPPA, and SCPPA Members.

BACKGROUND:

Cooling tower structures and equipment, stretford systems, buildings, structures, fiberglass piping, and other miscellaneous maintenance are required from time to time for the operation and maintenance of facilities owned and/or operated by NCPA, NCPA Members, by SCPPA, and SCPPA Members. NCPA entered into a five-year Multi-Task General Services Agreement with Alliance Cooling Products and Construction, Inc., effective March 25, 2022, for an amount not to exceed \$1,000,000, for use at any facilities owned and/or operated by NCPA, NCPA Members, by SCPPA, and SCPPA Members.

NCPA has upcoming work for which Alliance Cooling Products and Construction, Inc. will be a potential bidder. This agreement does not have enough funds remaining for this potential work. NCPA now desires to enter into a First Amendment to the Multi-Task General Services agreement to increase the not-to-exceed amount from \$1,000,000 to \$6,000,000 to ensure sufficient funds are available should this vendor be the successful bidder on this or any future work. Exhibit B – Compensation Schedule and Hourly Fees will also be amended as requested by the vendor to reflect an increase in labor costs. NCPA has agreements in place for similar services with EvapTech, Inc., American Cooling Tower, Inc., and Energy Options, Inc.

FISCAL IMPACT:

Upon execution, the total not to exceed amount of the agreement will increase from \$1,000,000 to \$6,000,000 over the remainder of the contract term. Purchase orders referencing the terms and conditions of the agreement will be issued following NCPA procurement policies and procedures.

SELECTION PROCESS:

This enabling agreement does not commit NCPA to any expenditure of funds. At the time services are needed, NCPA will bid the specific scope of work consistent with NCPA procurement policies and procedures. NCPA seeks bids from qualified providers as required. Bids are awarded to the vendor providing the best overall value to NCPA. NCPA will issue purchase orders based on cost and availability of the services needed at the time the service is required.

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.

COMMITTEE REVIEW:

Pending Committee review and approval.

AFTER FACILITIES APPROVAL: On February 7, 2024 the Facilities Committee reviewed and endorsed the recommendation above for Commission approval.

AFTER LEC PPC APPROVAL: On February 12, 2024 the Lodi Energy Center Project Participant Committee reviewed and approved the recommendation above for Commission approval.

Respectfully submitted,

RANDY S. HOWARD
General Manager

Attachments (3):

- Resolution 24-XX
- Multi-Task General Services Agreement with Alliance Cooling Products and Construction, Inc.
- First Amendment to Multi-Task General Services Agreement with Alliance Cooling Products and Construction, Inc.

RESOLUTION 24-XX

RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY APPROVING A FIRST AMENDMENT TO THE MULTI-TASK GENERAL SERVICES AGREEMENT WITH ALLIANCE COOLING PRODUCTS AND CONSTRUCTION, INC.

(reference Staff Report #XXX:24)

WHEREAS, cooling tower structures and equipment, stretford systems, buildings, structures, fiberglass piping, and other miscellaneous maintenance, are required from time to time for the operation and maintenance of facilities owner and/or operated by NCPA, NCPA Members, by the Southern California Public Power Authority (SCPPA), and SCPPA Members; and

WHEREAS, Northern California Power Agency (NCPA) and Alliance Cooling Products and Construction, Inc. entered into a Multi-Task General Services Agreement effective March 25, 2022 to provide such services; and

WHEREAS, NCPA has work for which Alliance Cooling Products and Construction, Inc. will be a potential bidder; and

WHEREAS, NCPA now desires to increase the not to exceed amount from \$1,000,000 to \$6,000,000 to ensure there are sufficient funds available should this vendor be the successful bidder on this or any future work; and

WHEREAS, 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; and

NOW, THEREFORE BE IT RESOLVED, that the Commission of the Northern California Power Agency authorizes the General Manager or his designee to enter into a First Amendment to the Multi-Task General Services Agreement, with any non-substantial changes recommended and approved by the NCPA General Counsel, increasing the not to exceed amount from \$1,000,000 to \$6,000,000 and amending Exhibit B – Compensation Schedule and Hourly Fees, for continued use at any facilities owned and/or operated by NCPA, NCPA Members, SCPPA, and SCPPA Members.

PASSED, ADOPTED and APPROVED this ____ day of _____, 2024 by the following vote on roll call:

	<u>Vote</u>	<u>Abstained</u>	<u>Absent</u>
Alameda	_____	_____	_____
San Francisco BART	_____	_____	_____
Biggs	_____	_____	_____
Gridley	_____	_____	_____
Healdsburg	_____	_____	_____
Lodi	_____	_____	_____
Lompoc	_____	_____	_____
Palo Alto	_____	_____	_____
Port of Oakland	_____	_____	_____
Redding	_____	_____	_____
Roseville	_____	_____	_____
Santa Clara	_____	_____	_____
Shasta Lake	_____	_____	_____
Truckee Donner	_____	_____	_____
Ukiah	_____	_____	_____
Plumas-Sierra	_____	_____	_____

JERRY SERVENTI
CHAIR

CARRIE POLLO
ASSISTANT SECRETARY



**MULTI-TASK
GENERAL SERVICES AGREEMENT BETWEEN
THE NORTHERN CALIFORNIA POWER AGENCY AND
ALLIANCE COOLING PRODUCTS AND CONSTRUCTION, INC.**

This Multi-Task General Services Agreement ("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 Alliance Cooling Products and construction, Inc., a corporation with its office located at 123 W. North Street, P.O. Box 1512, Healdsburg, CA 95448 ("Contractor") (together sometimes referred to as the "Parties") as of 3/25/, 2022 ("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 Work Provided.** Work provided under this Agreement by Contractor may include Work directly to the Agency or, as requested by the Agency and consistent with the terms of this Agreement, to Agency members, Southern California Public Power Authority ("SCPPA") or SCPPA members.
- 1.5 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. Contractor shall have seven calendar days from the date of the Agency's issuance of the Purchase Order in which to respond in writing that Contractor chooses not to perform the Requested Work. If Contractor agrees to perform the Requested Work, begins to perform the Requested Work, or does not respond within the seven day period specified, then Contractor will have

agreed to perform the Requested Work on the terms set forth in the Purchase Order, this Agreement and its Exhibits.

Section 2. COMPENSATION. Agency hereby agrees to pay Contractor an amount **NOT TO EXCEED ONE MILLION** dollars (\$1,000,000) 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, to Agency's reasonable satisfaction;
- 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
AcctsPayable@ncpa.com

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 \$2,000,000 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 \$2,000,000 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 Omitted.

4.4 Pollution Insurance. Intentionally Omitted.

4.5 All Policies Requirements.

4.5.1 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 and in Section 4.4, if applicable, adding the Agency as an additional insured and declaring such insurance primary in regard to work performed pursuant to this Agreement.

4.5.2 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.

4.5.3 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.

4.5.4 Additional Certificates and Endorsements. If Contractor performs Work for Agency members, SCPPA and/or SCPPA members pursuant to this Agreement, Contractor shall provide the certificates of insurance and policy endorsements, as referenced in Section 4.5.1, naming the specific Agency member, SCPPA and/or SCPPA member for which the Work is to be performed.

4.5.5 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. In addition, 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.
- 5.3 Transfer of Title.** Intentionally Omitted.

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.

Contractor shall indemnify, defend, and hold harmless Agency from any lawsuit, administrative action, or other claim for penalties, 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, due to Contractor's failure to secure workers' compensation insurance for its employees, agents, or subcontractors.

Contractor agrees that it is responsible for the provision of group healthcare benefits to its fulltime employees under 26 U.S.C. § 4980H of the Affordable Care Act. To the extent permitted by law, Contractor shall indemnify, defend and hold harmless Agency from any penalty issued to Agency under the Affordable Care Act resulting from the performance of the Services by any employee, agent, or subcontractor 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.
- 6.5 Certification as to California Energy Commission Regarding Hazardous Materials Transport Vendors.** If requested by the Agency, Contractor shall, at the same time it executes this Agreement, execute Exhibit D.
- 6.6 Maintenance Labor Agreement.** If the Work is subject to the terms of one or more Maintenance Labor Agreements, which are applicable only to certain types

of construction, repair and/or maintenance projects, then Contractor shall execute Exhibit E and/or similar documentation as to compliance.

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 Monitoring by DIR.** The Work is subject to compliance monitoring and enforcement by the Department of Industrial Relations.
- 7.5 Registration with DIR.** During the term of this Agreement, Contractor warrants that it is registered with the Department of Industrial Relations and qualified to perform Work consistent with Labor Code section 1725.5.
- 7.6 Prevailing Wage Rates.** 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 the Work is to be performed, and not less than the general prevailing rate of per diem wages for holiday and overtime work as provided in the California Labor Code must be paid to all workers engaged in performing the Work. In accordance with California Labor Code Section 1770 and following, the Director of Industrial Relations has determined the general prevailing wage per diem rates for the locality in which the Work is to be performed; the Agency has obtained the general prevailing rate of per diem wages and the general rate for holiday and overtime work in the locality in which the Work is to be performed for each craft, classification or type of worker needed to perform the project; and copies of the prevailing rate of per diem wages are on file at the Agency and will be made available on request. Throughout the performance of the Work, Contractor must comply with all applicable laws and regulations that apply to wages earned in performance of the Work. Contractor assumes all responsibility for such payments and shall defend, indemnify and hold the Agency harmless from any and all claims made by the State of California, the Department of Industrial Relations, any subcontractor, any worker or any other third party with regard thereto.

Additionally, in accordance with the California Administrative Code, Title 8, Group 3, Article 2, Section 16000, Publication of Prevailing Wage Rates by Awarding

Bodies, copies of the applicable determination of the Director can be found on the web at: <http://www.dir.ca.gov/DLSR/PWD/> and may be reviewed at any time.

Contractor shall provide a certified copy of its payroll, on forms to be determined by the Agency and consistent with the Labor Code, within ten (10) days of the Contractor's receipt of Agency's written request therefor. Contractor's failure to timely comply with this provision may subject the Contractor to penalties pursuant to state law.

Contractor shall comply with applicable law, including Labor Code Sections 1774 and 1775. In accordance with Section 1775, Contractor shall forfeit as a penalty to Agency \$200.00 for each calendar day or portion thereof, for each worker paid less than the prevailing rates as determined by the Director of Industrial Relations for such work or craft in which such worker is employed for any Work done under the Agreement by Contractor or by any subcontractor under Contractor in violation of the provisions of the Labor Code and in particular, Labor Code Sections 1770 *et seq.* In addition to the penalty and pursuant to Section 1775, the difference between such prevailing wage rates and the amount paid to each worker for each calendar day or portion thereof for which each worker was paid less than the prevailing wage rate shall be paid to each worker by the Contractor.

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 both of 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 under 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 this 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, 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. Upon conclusion or termination of the Agreement, Receiving Party shall return to Disclosing Party or destroy Confidential Information (including all copies thereof), 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. 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 the operations of the Agency; if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4; and 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. Neither Agency nor, if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4, will 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. Anything left on the Project site an unreasonable length of time after the Work is completed shall be presumed to have been abandoned by the Contractor. Any transportation furnished by Agency or, if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4, shall be solely as an accommodation and neither Agency nor, if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4, shall have 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 equipment owned and property provided by Agency and, if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4, 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 site programs established by Agency and, if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4.

- 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 shall include diesel fuel used for trucks owned or leased by the Contractor.
- 12.10** If Contractor is providing Work to an Agency Member, SCPPA or SCPPA member (collectively "Member" solely for the purpose of this section) pursuant to Section 1.4 hereof, then that Member shall have the same rights as the Agency under Sections 12.1, 12.2, 12.4, 12.5, and 12.6 hereof.

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 GENERATION SERVICES, 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:

Alliance Cooling Products and Construction, Inc.
123 W. North Street
P.O. Box 1512
Healdsburg, CA 95448

Any written notice to Agency shall be sent to:

Randy S. Howard
General Manager
Northern California Power Agency
651 Commerce Drive
Roseville, CA 95678

With a copy to:

Jane E. Luckhardt
General Counsel
Northern California Power Agency
651 Commerce Drive
Roseville, CA 95678

- 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 remedy 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, a Purchase Order, or Contractor's Proposal (if any), the Agreement shall control. In the case of any conflict between the Exhibits hereto and a Purchase Order or the Contractor's Proposal, the Exhibits shall control. In the case of any conflict between the terms of a Purchase Order and the Contractor's Proposal, the Purchase Order 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. However, should Contractor provide Work to an Agency member, SCPPA or SCPPA member (collectively for the purpose of this section only "Member") pursuant to Section 1.4, the parties recognize that such Member may be a third party beneficiary solely as to the Purchase Order and Requested Work relating to such Member.

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

NORTHERN CALIFORNIA POWER AGENCY

ALLIANCE COOLING PRODUCTS AND
CONSTRUCTION, INC.

Date 3/25/22

Date 3/17/2022

Randy S. Howard
RANDY S. HOWARD, General Manager

Sheri Smith VP
SHERI SMITH, Vice President

Attest:

[Signature]
Assistant Secretary of the Commission

Approved as to Form:

[Signature]
Jane E. Luckhardt, General Counsel

EXHIBIT A

SCOPE OF WORK

Alliance Cooling Products and Construction, Inc. ("Contractor") shall provide maintenance services which include but are not limited to cooling tower structures and equipment, Stretford systems, buildings, structures, and fiberglass piping, and any other miscellaneous maintenance work necessary as requested by Northern California Power Agency ("Agency") at any facilities owned and/or operated by Agency, its Members, Southern California Public Power Authority ("SCPPA") or SCPPA members.

No project under this Agreement shall include Work that would qualify as a Public Works Project under the California Public Contract Code.

EXHIBIT B

COMPENSATION SCHEDULE AND HOURLY FEES

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

Alliance Cooling Products, Inc. hourly billing rates and fee schedule for performing work on a Time & Materials basis for **NCPA**.

The below listed rates will be effective 01/01/22 on a PREVAILING WAGE Basis.

Hourly Billing Rates

<u>CRAFT</u>	<u>S.T.</u>	<u>T 1/2</u>
Superintendent/Carpenter	120.20	155.67
Foreman/Construction Spec	95.33	120.46
LR1/Laborer	96.56	118.00

All of the above rates will require written approval on the part of a **NCPA** representative by issuing a contract work authorization prior to the start of work.

Minimum of four (4) hours for Superintendent and Foreman.

1. Basis of Overtime Payment (per person)

T-1/2: All hours worked over 8 and up to 12 Monday through Friday.
Weekends.
All hours worked over 40 in one week.

D.T.: All hours worked over 12 in one day.
All hours worked over 8 on Sunday.
All hours worked on ACPC's observed holidays.

2. Material/Miscellaneous Charges

- A. All of the following shall be billed at cost plus, and copies of invoices for said items will accompany all billing to NCPA.
1. Direct shipment or jobsite purchased materials – Cost Plus 15%
 2. Equipment costs (third party rentals) – Cost Plus 8%
- B. ACPC stocked items or fabricated items will be quoted as needed prior to shipment for NCPA's review.
- C. Delivery charges for usage of ACPC's truck will be billed at \$1.00 per mile traveled plus actual time at the delivery rate.
- D. Site specific safety training shall be billed per our time and materials rates.
- E. Freight will be billed at cost + 5% or freight collect.

3. Travel Allowance

- A. Outside the seventy-five (75) mile radius of ACPC's Healdsburg office or employee home, the following will apply:

Travel Allowance: Superintendent/Inspector shall be billed at the straight time rate for actual travel to and from the jobsite plus \$0.52 per mile traveled, on a one-time basis to the jobsite and return at the completion of the project. All other employees shall be billed at the straight time rate for actual travel from the home office or their then current jobsite on a one-time basis to and from the jobsite.

Company truck and tool trailer shall be added at the rate of \$100.00 per working day/per truck & trailer.

ACTS OF GOD CLAUSE

The following is intended to become a part of this proposal and will become effective upon our award of this contract in the event that work does not start on any given day.

Once ACPC employees arrive at the jobsite and check in with the NCPA Work Supervisor, any work stoppage due to Acts of God (rain, snow or any other phenomena beyond the reasonable control of ACPC) will be considered a lost time situation if authorized by NCPA Work Supervisor and the following subsequent rates will apply:

1. Job Superintendent: The Superintendent will charge a four (4) hour minimum with full travel allowance, unless NCPA representative authorizes additional hours.
2. Foreman: The job Foreman will charge a four (4) hour minimum with full subsistence allowance.
3. LR1 and below: A two (2) hour minimum will be charged for all other crewmembers with full subsistence allowance.

Pricing for services to be performed at NCPA Member or SCLPPA locations will be quoted at the time services are requested.

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,

Shen Smith VP

(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.

Shen Smith

(Signature of officer or agent)

Dated this 17 day of MARCH, 20 22.

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 D

CERTIFICATION

Affidavit of Compliance for Hazardous Materials Transport Vendors

I, Shari Smith VP,

(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, subpart I and has conducted employee background investigations in conformity with 49 CFR 172.802(a), 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.

Shari Smith

(Signature of officer or agent)

Dated this 17 day of MARCH, 20 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 E

ATTACHMENT A [from MLA] AGREEMENT TO BE BOUND

MAINTENANCE LABOR AGREEMENT ATTACHMENT LODI ENERGY CENTER PROJECT

The undersigned hereby certifies and agrees that:

- 1) It is an Employer as that term is defined in Section 1.4 of the Lodi Energy Center Project Maintenance Labor Agreement ("Agreement" solely for the purposes of this Exhibit E) because it has been, or will be, awarded a contract or subcontract to assign, award or subcontract Covered Work on the Project (as defined in Section 1.2 and 2.1 of the Agreement), or to authorize another party to assign, award or subcontract Covered Work, or to perform Covered Work.
- 2) In consideration of the award of such contract or subcontract, and in further consideration of the promises made in the Agreement and all attachments thereto (a copy of which was received and is hereby acknowledged), it accepts and agrees to be bound by the terms and condition of the Agreement, together with any and all amendments and supplements now existing or which are later made thereto.
- 3) If it performs Covered Work, it will be bound by the legally established trust agreements designated in local master collective bargaining agreements, and hereby authorizes the parties to such local trust agreements to appoint trustees and successor trustee to administer the trust funds, and hereby ratifies and accepts the trustees so appointed as if made by the undersigned.
- 4) It has no commitments or agreements that would preclude its full and complete compliance with the terms and conditions of the Agreement.
- 5) It will secure a duly executed Agreement to be Bound, in form identical to this documents, from any Employer(s) at any tier or tiers with which it contracts to assign, award, or subcontract Covered Work, or to authorize another party to assign, award or subcontract Covered Work, or to perform Covered Work.

DATED: 3/17/22

Name of Employer

Alliance Cooling
Shari Smith VP
(Authorized Officer & Title)

(Address)

PO Box 1512
H3G, CA 95448



**FIRST AMENDMENT TO MULTI-TASK GENERAL SERVICES AGREEMENT BETWEEN
THE NORTHERN CALIFORNIA POWER AGENCY AND ALLIANCE COOLING PRODUCTS
AND CONSTRUCTION, INC.**

This First Amendment ("Amendment") to Multi-Task General Services Agreement is entered into by and between the Northern California Power Agency ("Agency") and Alliance Cooling Products and Construction, Inc. ("Contractor") (collectively referred to as "the Parties") as of _____, 2024.

WHEREAS, the Parties entered into a Multi-Task General Services Agreement dated effective March 25, 2022, (the "Agreement") for Alliance Cooling Products and Construction, Inc. to provide maintenance services which include but are not limited to cooling tower structures and equipment, Stretford systems, buildings, structures, and fiberglass piping, and any other miscellaneous maintenance services at any facilities owned and/or operated by Agency, its Members, Southern California Public Power Authority ("SCPPA") or SCPPA members; and

WHEREAS, the Agency now desires to amend the Agreement to increase the total compensation authorized by the Agreement from a NOT TO EXCEED amount of \$1,000,000 to a NOT TO EXCEED amount of \$6,000,000; and

WHEREAS, the Parties have agreed to modify the Agreement as set forth above, as of the Effective Date of this First Amendment; and

WHEREAS, in accordance with Section 8.2 all changes to the Agreement must be in writing and signed by all the Parties; and

NOW, THEREFORE, the Parties agree as follows:

1. **Section 2—Compensation** of the Agreement is amended and restated to read as follows:

Agency hereby agrees to pay Contractor an amount **NOT TO EXCEED SIX MILLION** dollars (\$6,000,000) 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.

The remainder of Section 2 of the Agreement is unchanged.

2. **Exhibit B – COMPENSATION SCHEDULE** is amended and restated to read in full as set forth in the Attached Exhibit B.

3. This Amendment in no way alters the terms and conditions of the Agreement except as specifically set forth herein.

Date: _____

NORTHERN CALIFORNIA POWER AGENCY

RANDY S. HOWARD, General Manager

Date: _____

ALLIANCE COOLING PRODUCTS AND
CONSTRUCTION, INC.

SHERI SMITH, Vice President

Attest:

Assistant Secretary of the Commission

Approved as to Form:

Jane E. Luckhardt, General Counsel

EXHIBIT B

COMPENSATION SCHEDULE AND HOURLY FEES

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

Alliance Cooling Products, Inc. hourly billing rates and fee schedule for performing work on a Time & Materials basis for **NCPA**.

Below listed rates will be effective 01/01/24. Rates are based on The Director of Industrial Relations current prevailing wage and may be amended as specified in the collective bargaining agreements.

Hourly Billing Rates

<u>CRAFT</u>	<u>S.T.</u>	<u>T 1/2</u>
Superintendent/Carpenter	\$129.57	\$169.13
Foreman/Construction Spec	\$99.75	\$126.62
LR1/Laborer	\$98.16	\$124.31

All of the above rates will require written approval on the part of a **NCPA** representative by issuing a contract work authorization prior to the start of work.

Minimum of four (4) hours for Superintendent and Foreman.

1. **Basis of Overtime Payment (per person)**

T-1/2: All hours worked over 8 and up to 12 Monday through Friday.
Weekends.

All hours worked over 40 in one week.

D.T.: All hours worked over 12 in one day.

All hours worked over 8 on Sunday.

All hours worked on ACPC's observed holidays.

2. Material/Miscellaneous Charges

- A. All of the following shall be billed at cost plus, and copies of invoices for said items will accompany all billing to **NCPA**.
1. Direct shipment or jobsite purchased materials – Cost Plus 15%
 2. Equipment costs (third party rentals) – Cost Plus 8%
- B. ACPC stocked items or fabricated items will be quoted as needed prior to shipment for **NCPA's** review.
- C. Delivery charges for usage of ACPC's truck will be billed at \$1.00 per mile traveled plus actual time at the delivery rate.
- D. Site specific safety training shall be billed per our time and materials rates.
- E. Freight will be billed at cost + 5% or freight collect.

3. Travel Allowance

- A. Outside the seventy-five (75) mile radius of ACPC's Healdsburg office or employee home, the following will apply:

Travel Allowance: Superintendent/Inspector shall be billed at the straight time rate for actual travel to and from the jobsite plus the current IRS rate per mile for miles traveled, on a one-time basis to the jobsite and return at the completion of the project. All other employees shall be billed at the straight time rate for actual travel from the home office or their then current jobsite on a one-time basis to and from the jobsite.

Company truck and tool trailer shall be added at the rate of \$145.00 per working day/per truck & trailer.

ACTS OF GOD CLAUSE

The following is intended to become a part of this proposal and will become effective upon our award of this contract in the event that work does not start on any given day.

Once ACPC employees arrive at the jobsite and check in with the **NCPA** Work Supervisor, any work stoppage due to Acts of God (rain, snow or any other phenomena beyond the reasonable control of ACPC) will be considered a lost time situation if authorized by **NCPA** Work Supervisor and the following subsequent rates will apply:

1. Job Superintendent: The Superintendent will charge a four (4) hour minimum with full travel allowance, unless **NCPA** representative authorizes additional hours.
2. Foreman: The job Foreman will charge a four (4) hour minimum with full subsistence allowance.
3. LR1 and below: A two (2) hour minimum will be charged for all other crewmembers with full subsistence allowance.

Pricing for services to be performed at NCPA Member or SCPA locations will be quoted at the time services are requested.

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.



Commission Staff Report

COMMISSION MEETING DATE:

SUBJECT: Approval of The Northern California Power Agency's Casualty Insurance Program
Renewal for March 2024 to March 2025

AGENDA CATEGORY: Consent

FROM:	Monty Hanks Assistant General Manager/CFO	METHOD OF SELECTION: N/A
Division:	Administrative Services	<i>If other, please describe:</i>
Department:	Risk Management	

IMPACTED MEMBERS:		
All Members <input checked="" type="checkbox"/>	City of Lodi <input type="checkbox"/>	City of Shasta Lake <input type="checkbox"/>
Alameda Municipal Power <input type="checkbox"/>	City of Lompoc <input type="checkbox"/>	City of Ukiah <input type="checkbox"/>
San Francisco Bay Area Rapid Transit <input type="checkbox"/>	City of Palo Alto <input type="checkbox"/>	Plumas-Sierra REC <input type="checkbox"/>
City of Biggs <input type="checkbox"/>	City of Redding <input type="checkbox"/>	Port of Oakland <input type="checkbox"/>
City of Gridley <input type="checkbox"/>	City of Roseville <input type="checkbox"/>	Truckee Donner PUD <input type="checkbox"/>
City of Healdsburg <input type="checkbox"/>	City of Santa Clara <input type="checkbox"/>	Other <input type="checkbox"/>
<i>If other, please specify</i>		
<hr/>		
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RECOMMENDATION:

Approve Resolution 24-XX authorizing the General Manager or his designee to negotiate and bind the Casualty Insurance program for the term starting March 1, 2024, and ending March 1, 2025, at a not-to-exceed premium of \$2,500,000 for the Northern California Power Agency and Lodi Energy Center.

BACKGROUND:

Alliant Insurance Services has aggressively marketed the primary liability program to ensure best-in-class pricing, terms, and conditions. Staff diligently answered questions and provided supporting data to keep premium increases to a minimum.

In November 2023, AEGIS shifted its position on wildfire surcharges and rating for the remainder of 2023 and all subsequent 2024 renewals. For 2024, AEGIS anticipated rate increases from 8-10%, as announced at the annual policyholder conference, but then increased anticipated rate increase guidance upwards to 10-13% as the renewal period approached. In addition, AEGIS is shifting from a wildfire "surcharge", which would proactively fund for a loss and not be subject to annual book trend increases, to including wildfire coverage within the overall premium and imposing a rate lift on the combined premium. Due to increased loss frequency and severity driven by wildfires, AEGIS is increasing wildfire rates across the membership by at least 25% and up to 40% for those in wildfire-prone states. There are continued material cost impacts in securing wildfire liability capacity, particularly in California.

Due to the hardening market, inflationary pressures, and increased loss frequency and severity, the remaining lines of the Excess Tower, not including Workers' Compensation Insurance, will see premium increases between 17% and 31%, resulting in a premium of approximately \$2,200,000. Staff, however, recommends establishing a not-to-exceed of \$2,265,000 to provide sufficient headroom for the General Manager to bind coverage should any unexpected changes occur.

Excess Tower	2023 Actuals	2024 Estimates	Increase (%)
Business Automobile (Incl. Mobile Equipment)	59,959	70,000	17%
Workers' Compensation	240,336	250,000	4%
\$35M - AEGIS	648,626	1,500,000	31%
AEGIS Wildfire Surcharge	500,000		
\$25M x \$35M - EIM	199,875	250,000	25%
\$15M x \$60M - STARR	100,000	130,000	30%
NCPA TOTAL	\$ 1,748,796	\$ 2,200,000	

Since LEC has no transmission lines and is not in one of the CPUC's wildfire threat zones, Liability insurance is more cost-effective on a separate policy. Alliant estimates an increase of 16% to the program, resulting in a premium of approximately \$215,000. Staff, however, recommends establishing a not-to-exceed of \$235,000 to provide sufficient headroom for the General Manager to bind coverage should any unexpected changes occur.

Excess Liability	2023 Actuals	2024 Estimates	Increase (%)
\$35M - AEGIS	184,550	215,000	16%
LEC TOTAL:	\$ 184,550	\$ 215,000	

FISCAL IMPACT:

The total cost to renew the Casualty Insurance program is estimated not-to-exceed \$2,500,000. This amount is already included in the Risk Management budget; no budget augmentation is required.

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.

COMMITTEE REVIEW:

Pending.

Respectfully submitted,

RANDY S. HOWARD
General Manager

Attachments:

- Resolution 24-XX

RESOLUTION 24-XXX

**RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY
APPROVING THE CASUALTY INSURANCE PROGRAM RENEWAL
FOR MARCH 2024 TO MARCH 2025**

(reference Staff Report #XXX:24)

WHEREAS, the Agency utilizes the insurance brokerage services of Alliant Insurance Services, Inc. to market and place the Agency's insurance programs. Each insurance policy and the related insurance market conditions are reviewed and marketed as required to qualified insurers experienced in underwriting the applicable insurance risk; and

WHEREAS, the Agency's Casualty Liability Program is comprised of Excess Liability Insurance, including wildfire coverage, Business Automobile Insurance for the Agency's fleet, and Worker's Compensation Insurance; and

WHEREAS, the underwriters have provided premium indications for the Casualty Insurance programs; and

WHEREAS, to negotiate coverage of the policies, this action grants the authority to the General Manager to bind coverages with a not-to-exceed premiums totaling 2,500,000 for the March 2024 to March 2025 policy year; and

WHEREAS, the Facilities Committee reviewed and recommended on February 7, 2024, and the LEC PPC reviewed and approved on February 12, 2024; and

WHEREAS, 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; and

NOW, THEREFORE BE IT RESOLVED that the Commission of the Northern California Power Agency approves granting the authority to the General Manager to bind coverages at the proposed not-to-exceed premium of \$2,500,000 for the March 2024 to March 2025 policy year.

PASSED, ADOPTED, and APPROVED this ____ day of _____, 2024,
by the following vote on roll call:

	<u>Vote</u>	<u>Abstained</u>	<u>Absent</u>
Alameda	_____	_____	_____
San Francisco BART	_____	_____	_____
Biggs	_____	_____	_____
Gridley	_____	_____	_____
Healdsburg	_____	_____	_____
Lodi	_____	_____	_____
Lompoc	_____	_____	_____
Palo Alto	_____	_____	_____
Port of Oakland	_____	_____	_____
Redding	_____	_____	_____
Roseville	_____	_____	_____
Santa Clara	_____	_____	_____
Shasta Lake	_____	_____	_____
Truckee Donner	_____	_____	_____
Ukiah	_____	_____	_____
Plumas-Sierra	_____	_____	_____

JERRY SERVENTI
CHAIR

ATTEST: CARRIE POLLO
INTERIM ASSISTANT SECRETARY



Submitted To:



NCPA Power Management Cost Allocation Study

Phase IIa Recommendations

Final Report

January 14, 2010

Prepared By:



January 14, 2010

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1.1 INTRODUCTION

The Northern California Power Agency (NCPA) currently allocates the costs of providing Power Management services to its members using a methodology that is structured with the intention to first:

- Identify the costs associated with four groups of services - Schedule Coordination, Real Time Dispatch, Power Pool Management, and Resource Management (referred to as “Step 1” in this report.)

and then to:

- Allocate these costs to the members receiving services in each of these areas (referred to as “Step 2” in this report)

The objective of the Facilities Committee is to develop an allocation methodology that is consistent with the principles of cost causation, as well as being consistent with an additional set of principles for cost allocation that was developed and agreed upon by the Facilities Committee in earlier phases of this project. Nexant was directed to analyze the current methodology, and make recommendations for an improved approach, based upon these principles.

In a presentation made to the NCPA Facilities committee on April 11, 2009 (See Appendix A) Nexant proposed a revision to the current cost allocation methodology.

This revision, termed “Option 2” added new cost categories or buckets and updated or added additional allocation parameters. No major structural changes in the charge accounting system were required to implement this option. In developing this option, Nexant made the following observations:

- The methodology by which approximately \$400,000 of software related costs were pre-allocated to sub-program budget line items (referred to as “Step 0” in this report), was inconsistent with the overall methodology and with cost causation
- The manner in which sub-program budget line items were allocated to service grouping cost categories (“Step 1”) was not completely documented, the documentation for some sub-programs were out of date, and in some cases, the allocation of service costs did not seem appropriate to the cost category
- The methodology by which the cost category dollars were allocated to members (“Step 2”) is based upon an out-dated time and motion study and outdated business model of the services provided within each of the service groupings - Schedule Coordination, Real Time Dispatch, Power Pool Management, and Resource Management.

Upon further analysis, Nexant concluded that the basis of the current methodology – particularly Step 2 - is out of date, and that none of the data is usable because the original Step 2 methodology is based on a time and motion type study for an outdated business model.

As a consequence, Nexant has proposed, and the Facilities Committee agreed to pursue, an “Option 2.5”. This proposed methodology restructures the Step 2 allocation to be based directly on the Power Management sub-program budget line items, as allocated to each service/cost category in Step 1. This structure makes the cost allocation of Step 2 consistent with Step 1, and eliminates the outdated business model and allocation parameters based upon the outdated time and motion study. Allocation parameters and parameter weights need to be determined for each of the allocated sub-program budget line items for each cost category.

In the April 11, 2009 presentation, Nexant defined a complete framework, made final recommendations on a sub-set of parameters and parameter weights, and has identified other parameters and weights which require further analysis before the final parameters and weightings could be established. Nexant had insufficient time and budget to complete all necessary work and to finalize the Option 2.5 revised cost allocation methodology.

Subsequently, the Facilities Committee authorized Nexant to complete the Option 2.5 methodology. In order to complete the parameter definitions and determine parameter values for the methodology, Nexant submitted a detailed data request to NCPA staff (See Appendix B); NCPA responded to the request (Appendices C-F); Nexant held 2 full day on-site meetings with NCPA staff and conducted several follow-up conference calls to gather needed data and to discuss the steps needed to complete the Option 2.5 methodology..

This report presents the final Step 1 and Step 2 allocation recommendations based upon a detailed cost causation analysis of the NCPA PM budget and the associated activities and services provided to members.

The cost causation based parameter weights included in the Option 2.5 methodology for all non-SCALD costs (Power Pool Management, Energy Risk Management, Power Settlements, and Contract Management) were determined from an analysis of the NCPA budget and related documentation for these areas.

SCALD costs were also analyzed by Nexant, and to the degree possible, the cost causation basis of Schedule Coordination and Real Time Dispatch were determined. Nexant also noted that the nature of some SCALD costs are “lumpy”, in particularly the “System Monitoring” related costs, and noted that these do not lend themselves to solely a detailed, strictly cost causation based allocation based upon time and motion type information. Nexant recommends that these costs be allocated to members on the basis of capacity usage or general overhead, allocated either on the basis of Operating Entity, membership, or proportional overhead.

1.2 SUMMARY OF RECOMMENDATIONS

Figure 2-1 shows a graphical depiction of the cost allocation methodology recommended by Nexant. “Step 0” costs are billed or allocated directly to members. This includes the new IT integrated systems cost allocation, as well as programs such as the Market Power Purchase, Natural Gas Information, and Green Power program.

In “Step 1”, two new cost categories have been added: Risk Management (“Risk” in the Diagram) and Power Settlements (PS), in addition to the existing categories of Schedule Coordination (SC), Real Time Dispatch (RT), Power Pool Management (PP), and Resource

Management (RM). In “Step 2”, the costs in each category are allocated to members by an appropriate set of allocation parameters, shown graphically under “Step 2” Allocation Parameters.

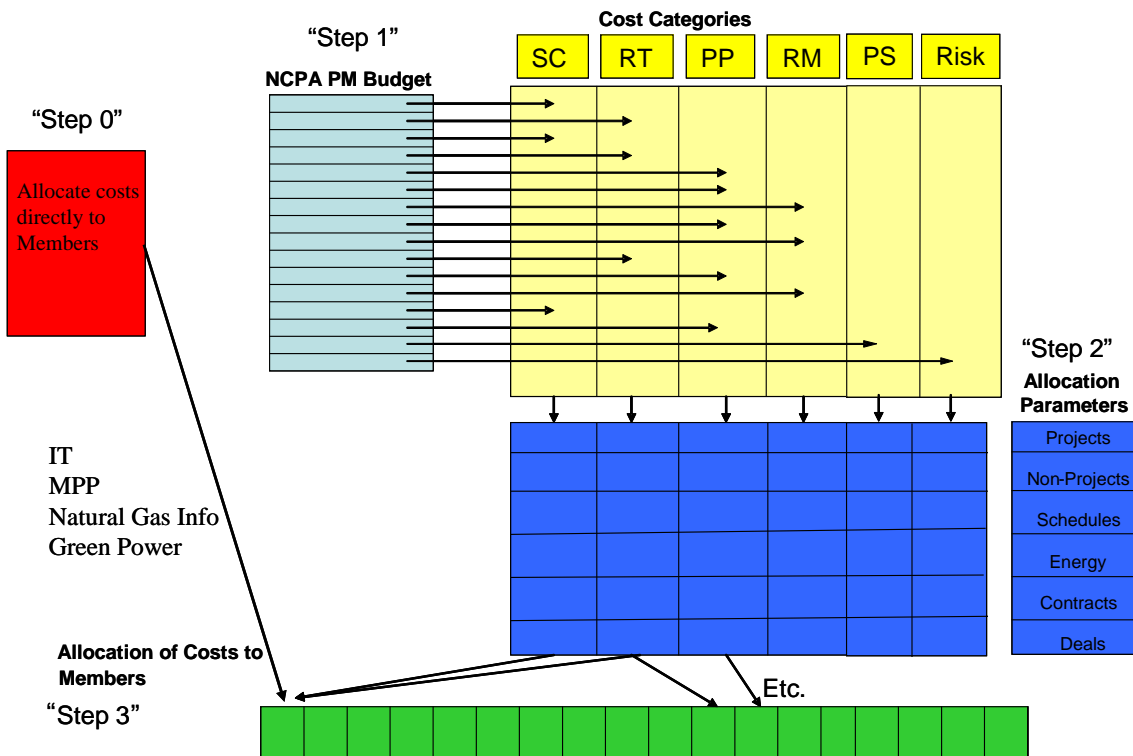


Figure 2-1 Option 2.5 Revised Cost Allocation Method

Table 2-1 shows the principles adopted by the Facilities Committee upon which a cost allocation methodology should be based. The table provides an evaluation of the current and proposed methods against each of the principles.

Table 2-1 Cost Allocation Principles

Cost Allocation Principle	Current Method	Alternative – Nexant Option 2.5
Driven by cost causation	Yes initially, but no longer matches business model	Yes. Requires budget-based analysis of labor hours to allocate costs.
Transparent	Process – Yes Time and motion data - No	More transparent – budget based
Cost lumpiness	Yes	Yes
Durable	No	Yes
Stable	Yes	Expected
Consistent with agreements	Yes	Yes
Supports choice	Some degree – e.g., only MSSA members are allocated by load	More– addition of line-by-line choice in sub-program Step 2 allocation parameters
Support two-stage allocation (allows for adjustments)	Yes	Yes

The following sections provide a complete summary of Nexant's recommendations for changes in the NCPA PM cost allocation methodology.

1.2.1 Step 0

- NCPA IT Staff has developed a new proposed approach to allocate costs (approximately \$400k) associated with the Integrated System
 - The allocation methodology was approved by the Facilities Committee on September 30, 2009

1.2.2 Step 1

- **Schedule Coordination**
 - A labor hour based analysis based upon the data provided by NCPA Staff which is included in the appendices validated the allocation of 80% of the Schedule Coordination sub-program to this cost category, and 20% to Real Time Dispatch.
 - The allocation of the WECC NERC Compliance sub-program of 50% to Schedule Coordination and 50% to Real Time Dispatch is based upon the staff level in each sub-program.
- **Real Time Dispatch**
 - 100% of the Dispatch and Real Time Resource Management sub-program is allocated to this cost category
 - 20% of the Schedule Coordination sub-program is allocated to this cost category as discussed above.
 - 100% of the SCADA sub-program is allocated to RT, subject to the revisions in the Step 0 methodology.
 - 50% allocation of WECC/NERC Compliance as discussed above.
- **Power Pool Management** – The following allocations of costs are made to the Power Pool Management cost category based on Power Management labor hours (a detailed analysis is included in Appendix C)
 - Forecasting – 31% Pool, with the remainder allocated to Resource Management (RM)
 - Resource Planning, Optimization, Risk Analysis and Management – 82.17% Pool with the remainder allocated to Resource Management (RM)
 - Pre-scheduling – 57.36% Pool with the remainder allocated directly to other entities receiving pre-scheduling services as discussed under RM (Based upon analysis of PM budget included in Appendix C)
 - Power Pool Operations and Settlement Standards – 100% Pool
 - Pooling Agreement Coordination and Administration – 100% Pool
 - Industry Restructuring – 33.3% Pool, with the remainder allocated to Resource Management (RM)

- **Resource Management**
 - Forecasting – 69% to RM (See corresponding allocation under Pool Management above)
 - Resource Planning, Optimization, Risk Analysis and Management – 17.83% to RM (See corresponding allocation under Pool Management above)
 - Power and Fuels Transactions – 100% to RM
 - Pre-scheduling - 6.79% SVP, 6.79% Roseville, 0.96% TID, 19.27% BART, 8.82% TDPUD (Based upon analysis of PM budget included in Appendix C)
 - Facilities Agreement Administration – 100% RM
 - Contract Maintenance, Negotiation, and Administration and Litigation Support – 100% RM
 - Industry Restructuring – 66.7% RM (See corresponding allocation under Pool Management above)
- **Settlements (New Cost Category)**
 - Billing, Balancing and Settlements – 100% Settlements
 - Deal Control and Data Validation – 100% Settlements
 - CAISO Data Validation – 100% Settlements
- **Risk Management (New Cost Category)**
 - Market Risk Management – 100% Risk Management
 - Counter Party Credit – 100% Risk Management

1.2.3 Step 2

- **Schedule Coordination**
 - All SC costs are allocated based on 100% Schedules. The Schedules allocation parameter has been revised per Nexant recommendations (Refer to Section 2.2.2).
- **Real Time Dispatch**
 - Pmax – 53.01% , for the resources and contracts receiving RT Dispatch services, including the following functions (refer to the resources table in Appendix F):
 - Outage coordination
 - Unplanned variations in generation
 - ISO required generation changes due to grid issues
 - ISO required generation changes due to reliability issues
 - ISO instructions due to accepted bids
 - Scheduled Energy– 28.17%

- Scheduled Energy is the prior year's 12 month energy sum in MWh for the following: (See Appendix H for an example of the calculation of this parameter)
 - NCPA Pool Load (metered)
 - SVP Load (metered)
 - SC Trades Out of NCPA (scheduled)
 - Exports at all inter-ties (scheduled)
 - Sales to the CAISO (scheduled)
 - Imports for BART (scheduled)
 - Function is adjusting for changes in load
- Active Day Inter-tie Schedules – 9.41%
 - Refer to Appendix H for the calculation methodology for Active Day Inter-tie schedules
 - Function is reacting to outages on the CAISO grid that require changes to member contract supply resources other than NCPA owned generation (COTP, Marble, South of Tesla, MSR, New Firm Use.)
- Pool and BART Contracts – 9.41%
 - Pool plus BART Contract months
 - Function is adjusting for failures of Pool and BART supply contracts
- **Power Pool Management** – Nexant's original recommendation was to allocate costs on the basis of 1/3 Load, 1/3 Pool and BART Contract Hours, 1/3 Pool Resources (with the following Load definitions for each sub-program) as a means of equitably spreading the pooling costs using the primary cost drivers. The Ad-Hoc Group of Pool Members decided to continue using the current allocation basis of 78% Load (as defined below for each sub-program and 22% Pool and BART Contracts, pending more detailed cost-causation based analysis by the Pooling Committee.
 - Forecasting – Load is Pool and BART.
 - Resource Planning, Optimization, Risk Analysis and Management – Load is Pool and BART
 - Prescheduling – Load is Pool
 - Power Pool Operations and Settlement Standards – Load is Pool
 - Pooling Agreement Coordination and Administration - Load is Pool
 - Industry Restructuring – Load is Pool
- **Resource Management**
 - Forecasting – Allocated on the basis of Pmax (for resources and non-project resources receiving service, refer to Appendix F)

- Resource Planning, Optimization, Risk Analysis and Management – Allocated on the basis of Pmax (for resources and non-project resources receiving service, refer to Appendix F)
- Power and Fuels Transactions – Allocated on the basis of MWh for CT1 and CT2
 - Will include Lodi Energy Center in allocation when on-line
- Pre-scheduling – Charged directly (by-passes Step 2)
 - 6.79% SVP, 6.79% Roseville, 0.96% TID, 19.27% BART, 8.82% TDPUD (Refer to Appendix C.)
- Facilities Agreement Administration – Namplate (for resources and non-project resources receiving services, refer to Appendix F)
- Contract Maintenance, Negotiation, and Administration and Litigation Support – Namplate (for resources and non-project resources receiving services, refer to Appendix F)
- Industry Restructuring – Nexant’s original recommendation was to use Namplate capacity; the Facilities Committee decided to use Pmax instead (refer to Appendix F)
- **Risk Management**
 - Market Risk Management
 - Nexant’s original recommendation was to allocate 100% to PM A&G based on the general benefit of the program to the organization
 - The Facilities Committee has instead adopted an allocation of 50% to NCPA agency A&G, and 50% to the Pool.
 - Counterparty Credit
 - Allocated on the basis of 100% Contract months for all transactions, for those contracts for which NCPA is the counterparty.
- **Settlements**
 - Billing, Balancing and Settlements – 100% allocation NCPA agency A&G
 - Deal Control and Data Validation – 100% by a weighted measure of “Deal IDs” including long term, hour ahead, and day ahead deals weighted 50%/50% by contract hours and number of contracts. Refer to Appendix G for a description of this methodology.
 - CAISO data Validation – 100% by CAISO schedules
 - Refer to Appendix H for a description of the calculation of CAISO schedules.

Section 2 Documentation of Recommended Changes in Steps 1 and 2

2.1 INTRODUCTION

This section provides explanations and documentation of the recommended changes in Steps 1 and Step 2 of the cost allocation methodology.

2.2 SCHEDULE COORDINATION

2.2.1 Step 1

2.2.1.1 *Schedule Coordination and Real Time Portfolio Balancing*

The following table documents the allocation of 20% of the Schedule Coordination sub-program hours to the Real Time Dispatch cost category related functions. The shaded hours show in the table from the Schedule Coordination sub-program that are allocated to the RT cost category are 20% of the SC sub-program hours.

Cost Category	Function	Sub-Programs (Hours)	
		Dispatch and RT Resource Management	Schedule Coordination
RT	Outage Coordination	113	191.7
	Adjusting for changes in load #1	3209	
	Unplanned variations in generation #2	552	166.3
	ISO required generation changes due to grid issues #3	488	831.6
	Failures of supply contracts #4	244	831.6
	Reacting to outages on the CAISO grid that require changes to member contract supply resources other than NCPA owned generation #5	244	831.6
	ISO instructions due to reliability issues #6	49	83.2
	ISO instructions due to accepted bids #7	297	0
SC	Schedule Coordination (Day Ahead)		600
	Schedule Coordination (Hour Ahead)		180
	Schedule Coordination (Adjustments to schedules)		182
	Schedule Coordination (schedule validation)		3650
	Schedule Coordination (market validation)		3650
	Schedule Coordination (Settlements department corrections)		608
	Training		
	WECC/NERC meeting participation/Standards compliance		
	Meter issue/settlement resolution and SCADA management		
	Management and supervision	2060	1350
	System Monitoring	3264	2174
	Totals	10520	15330

2.2.1.2 WECC/NERC Compliance

The 50/50 split between SC and RT is reasonable based on staffing split between SC/RT, given that this is primarily staff training, conference participation and travel.

2.2.2 Step 2

All allocations for SC for Step 2 are on the basis of 100% Schedules, as revised per Nexant recommendations. The schedule count does not include capacity schedules.

Counted schedules are from the NCPA database using Appendix A3 of NCPA's Power Schedule Guide. The NCPA Power Schedule Guide contains the detailed description of how, what and when to submit schedules from the NCPA Operating Entities to the NCPA Schedule Coordinator (NCPA SC). Appendix A3 identifies the following:

- Schedule Names utilized for scheduling
- When the schedules are submitted and processed
 - DA = Day Ahead
 - HA = Hour Ahead which includes CAISO Hour Ahead Scheduling Process (HASP) schedules, and Non-CAISO schedules during the active day but prior to the active hour.
 - RT = Real-Time which includes CAISO schedules processed after the close of HASP for CAISO schedules, and during the active hour for Non-CAISO schedules.
- CAISO Schedule – Identifies if the schedule is processed with the CAISO.

The following is a summary of how the total schedules are calculated:

DA Schedules – Each type of DA schedule identified will receive a count of one irrespective of the number of hours scheduled for the given day.

HA Schedules – HA schedules receive a count of one whenever the HA schedule for a given hour is different from the DA schedule for the corresponding hour (HA change).

RT Schedules – Any RT schedule receives a count of one for each hour of the schedule (RT change).

Count schedules sent to the CAISO as one schedule for each Operating Entity.

Total Schedule Count – This is the sum of DA, HA, and RT schedules for each entity that is scheduled by NCPA SC.

The following table shows the Schedule Based Allocations using data from April-August of 2009.

	Total Schedules - SC Step 2						
4/1 - 8/31/2009	Pool	SVP	RSVL	BART	TDPU	TID	Total
DA	8,236	5,219	2,203	937	220	774	17,589
HA	4,951	5,099	20	-	-	210	10,280
RT	3,119	5,094	913	-	-	40	9,166
Total	16,306	15,412	3,136	937	220	1,024	37,035
% of Total	44.03%	41.61%	8.47%	2.53%	0.59%	2.76%	100.00%

As a validation of the use of schedules as an allocator, Nexant analyzed data provided by NCPA that estimated the labor hours spent in the SC function for the 2009-2010 budget year.

Detail - Day Ahead Scheduling	Labor Hours
Load for Pool and SVP	60
Exports for Roseville	60
SC Trades outs for TID	60
NCPA owned resources	120
Member owned resources	90
NCPA owned contracts	120
Member owned contracts	90
Total Day Ahead Scheduling	600

Detail - Hour Ahead Scheduling	Labor Hours
Load for Pool and SVP	0
Exports for Roseville	30
SC Trades outs for TID	0
NCPA owned resources	30
Member owned resources	30
NCPA owned contracts	30
Member owned contracts	60
Total Hour Ahead Scheduling	180

Other Activities	
After the fact flag corrections required for settlement purposes associated with Pool and SVP	608
Hour ahead schedule validation for Pool and SVP	3650
Hour Ahead market monitoring - Pool and SVP Contracts	3650
Adjustments to schedules due to events in RT	182

Summary of SC Labor Hours	Hours	Percentage
Pool and SVP	7968	64.3%
Roseville	90	0.7%
TID	60	0.5%
Resources	270	2.2%
Contracts	300	2.4%
RT adjustments	182	1.5%
Management and Supervision	1350	10.9%
System Monitoring	2174	17.5%
Total SC Hours	12394	100.0%

The final steps needed for this validation are to select a methodology for allocating the Management and Supervision and System Monitoring time. In this allocation, the “lumpiness” of SC services should be taken into account, by allocating costs based upon capacity as well as volume.

One approach to account for the lumpiness is to take Operating Entities into account by allocating a portion of the Management and System Monitoring time by OE. In the following table, Management time is allocated proportionally, and the System Monitoring time is allocated by Operating Entity – 25% each to Pool, SVP, Roseville, and TID.

The final allocation calculations used to validate the schedule-based allocator are:

Final Allocations	
Pool and SVP	82.0%
Resources and Contracts	5.2%
Roseville	5.7%
TID	5.5%
Real Time Adjustments	1.6%
Total	100.0%

These allocations are very close to the Schedule-based allocation, and serves as a labor hour based validation of the Schedule based allocation which Nexant recommends.

2.3 REAL TIME DISPATCH

2.3.1 Step 1

Nexant verified that the Step 1 allocations are appropriate for the RT Dispatch cost category, except for the “Step 0” allocations of some IT costs to the SCADA sub-program. See the labor hour analysis under the Schedule Coordination section.

2.3.2 Step 2

NCPA provided the following detail of labor hours in RT by function. The following table shows the allocation parameters for each of the RT functions recommended by Nexant. Pmax has been selected as the allocator to reflect the operational nature of Real Time Dispatch. For Pmax, the function is allocated only to those resources and contracts that receive the service. The sets of resources include: 1) NCPA owned resources; 2) NCPA contracts; 3) Member owned resources; 4) Member owned contracts. Refer to Appendix F for a table of all resources and contracts, and the services that they receive.

See above and in Appendix H for a definition of Scheduled Energy.

Real Time Function	Total Hours	Allocator	Percentage
Outage Coordination	304.3	Pmax (for resources that receive service, see Appendix F)	2.3%
Adjusting for changes in load	3208.5	Scheduled Energy (See Appendix H)	23.8%
Unplanned variations in generation	718.2	Pmax (for resources that receive service)	5.3%
Reacting to outages on the CAISO grid that require changes to NCPA owned generation	1320	Pmax (for resources that receive service)	9.8%
Failures of Pool and BART supply contracts	1075.8	Pool and BART Contracts – Contract hours	8.0%
Reacting to outages on the CAISO grid that require changes to member contract supply resources other than NCPA owned generation	1075.8	Active Day Inter-tie Schedules (See Appendix H)	8.0%
ISO instructions due to reliability issues	132	Pmax (for resources that receive service)	1.0%
ISO instructions due to accepted bids	297.1	Pmax (for resources that receive service)	2.2%
Management and Supervision	2060	Proportional	15.3%
System Monitoring	3264.3	Pmax (for resources that receive service)	24.3%
Total	13456		100.0%

Management and Supervision time is allocated proportionally to the other allocators, and System Monitoring is allocated on the basis of Pmax for those resources and non-resource projects

receiving Real Time services (See Appendix F.) The final Step 2 allocators (subject to annual review of SCALD labor hours) are shown in the following table:

Final RT Step 2 Allocation Values	
Pmax (For resources that receive the service, per each function)	53.01%
Scheduled Energy	28.17%
Active Day Intertie Schedules	9.41%
Pool and BART Contracts	9.41%

The following table shows an example of the calculation of Active Day Inter-tie schedules.

	ISO Schedules - RT Step 2 (Limit counts to Active Day Inter-tie schedules)						
4/1 - 8/31/2009	<u>Pool</u>	<u>SVP</u>	<u>RSVL</u>	<u>BART</u>	<u>TDPU</u>	<u>TID</u>	<u>Total</u>
DA	-	-	-	-	-	-	-
HA	89	487	-	-	-	-	576
RT	41	604	-	-	-	-	645
Total	130	1,091	-	-	-	-	1,221
% of Total	10.65%	89.35%	0.00%	0.00%	0.00%	0.00%	100.00%

2.3.2.1 An Alternative View of RT Dispatch

Under the current cost allocation methodology, the Real Time Step 2 parameters result in over 90% of these costs being allocated to resources and non-project resources. We understand that this high allocation to resources is based partly upon the rationale that the RT function is required as a result of the ownership of NCPA generation resources. The preceding section discusses an activity based Step 2 basis which would result in a Step 2 analysis with about 53% allocated directly to resources. What follows is a discussion of this issue.

NCPA staff offered the following discussion:

The RT Dispatch function flows as a function of being a generator owner and generator operator under the NERC Reliability Criteria and as a result of obligations that we have to the bond holders for NCPA projects. Over time we have added to the work that goes on there, both in the form of taking on responsibility for non-NCPA owned resources, contracts and load following activities. If we then compare and contrast “why the function is necessary” against “what type of work now goes on there” it appears that you get two vastly different outcomes. In the first instance “why the function is necessary” would lead to allocations based on resource ownership or capacity with most of the time being attributed to “system monitoring” activities. In the second instance, where we have attempted to determine where the time is spent, given the additional work activities taken on by the organization you end up with a completely different allocation methodology, with load taking on a larger share of the allocation responsibility.

This particular activity (RT Dispatch) seems to be a little unique in this regard. I don't have a solution for it, but the allocation determination should probably address this unique situation in some fashion.

Nexant acknowledges that RT Dispatch is unique, and that cost allocation is in part a function of asset ownership. The cost allocation methodology recommended by Nexant attempts to include the activities in RT that are cost-causation based, in addition to asset ownership based costs.

2.4 POWER POOL MANAGEMENT

2.4.1 Step 1

NCPA provided a detailed accounting of labor hours in the Forecasting and Pre-scheduling program. Refer to Appendix C for this labor analysis for each of the sub-program areas.

2.4.1.1 Forecasting

Of the total 2708 labor hours in the Forecasting sub-program, 31% were identified as pool related, and 69% as resource related.

2.4.1.2 Resource Planning, Optimization and Risk Analysis

Of the 1690 labor hours in the Resource Planning sub-program, 56.34% were identified as Pool related, 15.79% as Resource related, and 27.87% as overhead (long term forecasts prepared for the supply portion of the annual budget). The overhead hours are spread proportionally to the Pool and Resource Management cost categories..

2.4.1.3 Pre-Scheduling

NCPA staff were able to specifically identify labor hours for the Pre-scheduling sub-program for the Pool, SVP, Roseville, TID, BART, and TDPUD. The Step 2 allocation for non-Pool members can be by-passed, and these costs assigned directly to these members. Refer to Appendix C for a detailed breakdown of the allocated hours.

2.4.1.4 Power Pool Operations and Settlement Standards

This is a Pool related sub-program and is assigned 100% to the Pool.

2.4.1.5 Pooling Agreement Coordination and Administration

This is a Pool related sub-program and is assigned 100% to the Pool

2.4.1.6 Industry Restructuring

In discussions with NCPA PM staff, Nexant observed that it is difficult to quantify the Step 1 allocation for this sub-program based on labor hours. NCPA provided an estimate that 1/3 of sub-program time is for the Pool, and 2/3 for Resources, which Nexant recommends be used in the allocation methodology.

2.4.2 Step 2

- Nexant's original recommendation was for all sub-programs to be allocated on the basis of 1/3 Load (as defined below for each sub-program), 1/3 Pool and BART Contract-Months, and 1/3 Pool Resources. (Load is defined differently for each sub-program, as follows.) . The Ad-Hoc Group of Pool Members decided instead to continue using the current allocation basis of 78% Load (as defined below for each sub-program and 22% Pool and BART Contracts, pending more detailed cost-causation based analysis by the Pooling Committee.

2.4.2.1 *Forecasting*

Load is for Pool and BART

2.4.2.2 *Resource Planning, Optimization and Risk Analysis*

Load is for Pool and BART

2.4.2.3 *Pre-Scheduling*

Load is Pool only

2.4.2.4 *Power Pool Operations and Settlement Standards*

Load is Pool only

2.4.2.5 *Pooling Agreement Coordination and Administration*

Load is Pool only

2.4.2.6 *Industry Restructuring*

Load is Pool only

2.5 RESOURCE MANAGEMENT

2.5.1 Step 1

NCPA provided a detailed accounting of labor hours in the Forecasting and Pre-scheduling program. Refer to Appendix C for this labor analysis for each of the sub-program areas.

2.5.1.1 *Forecasting*

69% of the Forecasting sub-program budget is allocated to Resource Management. Refer to Appendix C for documentation of this allocation.

2.5.1.2 *Resource Planning*

17.83% of the Resource Planning sub-program is allocated to Resource Management. Refer to Appendix C for documentation of this allocation. This includes a proportional allocation of the overhead hours to Pool and Resources.

2.5.1.3 *Power and Fuels Transactions*

100% allocation to Resource Management has been validated. This sub-program exclusively procures gas for CT1 and CT2.

2.5.1.4 *Prescheduling*

As indicated in Section 2.1.4.3, NCPA staff was able to directly assign Pre-scheduling labor hours to members. These allocations will by-pass Step 2, and be allocated directly to members. The allocations for non-Pool members are 6.79% SVP, 6.79% Roseville, 0.96% TID, 19.27% BART, and 8.82% TDPUD (Refer to Appendix C.)

2.5.1.5 *Facilities Agreement Administration*

100% to Resources Management has been validated.

2.5.1.6 *Contract Maintenance, Negotiation, and Administration and Litigation Support*

The Contracts program and budget has been restructured, so that only Resource related contract work is included in the sub-program budget. The 100% allocation to RM has been validated.

2.5.1.7 *Industry Restructuring*

As mentioned above, it is difficult to quantify the Step 1 allocation for this sub-program based on labor hours. NCPA estimates that 2/3 of this sub-program should be allocated to Resources.

2.5.1.8 *All Other Sub-Programs*

The Transmission Program has been removed from the NCPA PM budget for 2010.

2.5.2 Step 2

The Step 2 allocators for Resource Management are selected as appropriate for the sub-program. The allocation of costs to the Resource Management category is both operationally based and “agreement based . The basis of allocation for the operational sub-programs either Pmax or MWh. For the agreement based sub-programs, nameplate capacity as specified in the agreements for the resources is the basis of allocation.

2.5.2.1 *Forecasting*

Forecasting is allocated on the basis of Pmax for resources receiving the service. Refer to Appendix F.

2.5.2.2 *Resource Planning*

Forecasting is allocated on the basis of Pmax for resources receiving the service. Refer to Appendix F.

2.5.2.3 *Power and Fuels Transactions*

The appropriate allocation of this sub-program is CT1 and CT2, based upon MWh.

2.5.2.4 *Pre-scheduling*

Step 2 is by-passed by the direct allocation to members of the Pre-scheduling sub-program. The allocations for non-Pool members are 6.79% SVP, 6.79% Roseville, 0.96% TID, 19.27% BART, and 8.82% TDPUD. (Refer to Appendix C.)

2.5.2.5 *Facilities Agreement Administration*

This sub-program is allocated to resources and non-resource projects based upon the Nameplate capacities specified in the Facilities Agreement. Refer to Appendix F.

2.5.2.6 *Contract Maintenance, Negotiation, and Administration and Litigation Support*

This sub-program is allocated to Resources based upon the Nameplate capacities specified in the Facilities Agreement, for the Resources and non-project Resources that receive services. Refer to Appendix F.

2.5.2.7 *Industry Restructuring*

This sub-program is allocated to resources based upon the Pmax capacities for the resources and non-project resources receiving this service. Refer to Appendix F.

2.6 SETTLEMENTS

2.6.1 Step 1

Settlements is a new cost category, to which 100% of the Power Settlements program budget is allocated.

NPCA provided a detailed labor hour analysis of the services provided by the Power Settlements program; refer to Appendix E for the labor analysis and program descriptions.

2.6.2 Step 2

2.6.2.1 *Billing, Balancing and Settlements*

This sub-program is allocated 100% to all-agency A&G. The services provided under this program for preparation of the All Resources Bill should be allocated in proportion to the total costs allocated to each member.

2.6.2.2 *Deal Control and Validation*

Deal Control and Data Validation – 100% by a weighted measure of “Deal IDs” including long term, hour ahead, and day ahead deals weighted 50%/50% by contract hours and number of contracts. Refer to Appendix G for a description of this methodology.

2.6.2.3 *ISO Data Validation*

This sub-program is specific to scheduling in and out of the CAISO. The allocation basis is 100% by CAISO schedule (includes exports, imports, and SC-SC trades.) Refer to Appendix H.

2.7 RISK MANAGEMENT

2.7.1 Step 1

A new cost category for Risk Management has been created. 100% of the Risk Management program budget is allocated to this cost category.

Refer to Appendix E for a detailed labor hour analysis of the services provided by the Risk Management program.

2.7.2 Step 2

2.7.2.1 *Market Risk Management*

Nexant's original recommendation was to allocate 100% to PM A&G. The Facilities Committee has instead adopted an allocation of 50% to all agency A&G and 50% to the Pool.

2.7.2.2 *Counter Party Credit Risk*

This sub-program is allocated on the basis of 100% Contract months (all transactions) for those contracts for which NCPA is the counterparty.

The April 13, 2009 Nexant presentation was provided to NCPA as an attachment to the data request presented in Appendix B.

The purpose of this information request is to obtain the necessary data to validate and finalize the recommendations for the NCPA Power Management cost allocation methodology. Nexant is requesting that NCPA provide information and conduct a detailed analysis of the PM budget and planned work to validate the “Step 1” allocations of sub-program budgets to cost categories and to determine the cost causation basis of the “Step 2” allocation parameters for each of the sub-program budget line items that are allocated to the “Step 1” cost categories. The primary focus is on the “Red” and “Blue” cells of the revised methodology, as presented on April 13, 2009 (See attached presentation, and references to the presentation in this request.)

A budget and planned-work based review of the SCALD, Pool Portfolio Management, Energy Risk Management, Contract Management, and Power Settlements Programs will be conducted. The key focus will be on budgeted/planned staff labor hours and other large expense items in order to determine the cost causation basis for the staff time and systems requirements and capacity usage, and to determine what factors drive labor hour– Schedules, Contracts, MSS Load, Membership, and Project and Non-Project resources, etc.

Nexant will also review the member questions as submitted in response to the Phase II report.

The information request is organized by the five “Step 1” cost categories – Schedule Coordination, Real Time Dispatch, Power Pool Management, Resource Management, and Billing, Balancing, and Settlements, as well as a General Information category.

In order to stay on schedule for this final phase of the project, Nexant requests that the information be returned by September 22, 2009.

GENERAL ITEMS

1) General items required for this analysis include:

- The most recent program and sub-program descriptions
- The latest available budgets and budget forecasts

2) A list of all Resources and Non-Resource contracts that are scheduled, dispatched, settled, or provided with contract administration services.

This should include all NCPA resources, all NCPA non-resource contracts, non-NCPA resources that are provided with PM services (and a description of the services provided and the labor hours or system capacity used), and non-NCPA contracts that are managed on the behalf of members (with a description of the services provided and the labor hours or system capacity used.)

The first part of this request may best be summarized in a table that has a row per resource and columns that indicated whether the resource is scheduled in the DA process, in the CAISO market, dispatched by NCPA, settled in the CAISO process, settled in the NCPA process, administered by NCPA and any other meaningful NCPA process.

3) An estimate of the costs of providing services to non-NCPA Resources and Non-Resources, to be treated as direct-bill expenses.

SCHEDULE COORDINATION

1) Power Settlements – Deal Control and Data Validation – Step 1 Allocation:

- A labor hour or system capacity based accounting of the Deal Control and Data Validation sub-program budget and an associated analysis of allocations of costs to Schedule Coordination, Power Pool Management, and Resources Management for Step 1 allocation
- Reference Slide 18 of the 4/13 Nexant presentation

2) A calculation of schedules per Nexant recommendations for use as an allocation parameter for Schedule Coordination and for the Billing, Balancing and Settlements cost categories. This should include a detailed build-up of how the number of schedules is calculated.

- Slides 19-20 of 4/13 presentation

REAL TIME DISPATCH

Reference Slide 21 of 4/13 presentation.

1) Updated dependable and nameplate capacity for each Resource and Non-resource contract managed or provided with services. (NCPA owned and non-owned.)

2) The ownership split of CT#1, and a description of differences in how the units are scheduled for members, and which services are provided for each of the units.

3) Estimate and justification of the percentage of the Real Time Dispatch sub-program budgets (Dispatch and Real Time Resource Management, 20% of Schedule Coordination and Real Time Portfolio Balancing, and SCADA) that are required to manage the MSSA. This could be based on labor hours or system capacity use.

- Identify any other MSSA specific costs in other sub-program budgets

4) Up-to-date list of Contracts as used for allocation for Real Time Dispatch, Power Pool Management, and Billing, Balancing and Settlements. Identify which contracts are entered into and managed on behalf of members under the MPP.

POWER POOL MANAGEMENT

Reference Slide 22 of 4/13 presentation.

1) Step 1 Allocation:

- Provide a detailed budget-based validation and justification of Step 1 allocations between Power Pool Management and Resource Management for the Forecasting, Resource Planning, Optimization and Risk Analysis, Pre-scheduling, Contract Maintenance, Risk Management – Credit Review, and Power Settlements – Deal Control and Validation sub-programs.

- 2) Provide information on the number and types of contracts managed for the Pool, and contracts managed specifically for Resources. Provide descriptions of Risk Management and Contract Administration services provided for these contracts.

Example: Forecasting Allocation

		FORECASTING, PLANNING, PRESCHEDULING & TRADING						OTHER RESOURCES						
		Research: Optimization, Risk Analysis & Mgmt.	Power & Fuel Transactions	Pre- Scheduling	Power Pool Oper. & Settlement Standards	Facilities Agreement Administration	NCPA Green Power Project	Nuclear Gas Information Program	Gas CT & STIG	Market Purchases Project				
No.	Name	Position	557-182-000 532-019-000	557-182-000 532-019-000	557-182-000 532-019-000	557-182-000 532-019-000	557-182-000 532-019-000	557-182-000 532-019-000	557-182-000 532-019-000	557-182-000 532-019-000				
1	Lau, Thomas S.W.	Supervisor - Portfolio and Fuel Mgmt.	388	448	147	125	489	96	280	12	25	120	2,160	
2	Bennett, Jan	Engineer II - Transactions Congestion/Market Analysis	1,238	146	33	142			269	19		290	2,460	
3	Gosio, Kenneth	Engineer IV - Forecasting	734	454	36	454	112					290	2,460	
4	Griffith, Dana Wm	Engineer IV, Power Coordination & Planning	136	505	58			124	1,841	59	76	40	2,880	
5	Imsamura, Donald T.	Short Term Planner	89	346	107	602	247	194				506	2,160	
6	McMahon, Kevin	Lead Pre-Scheduler	17		258	1,680	126						2,880	
7	Worthington, Norm	Scheduler, Hydro	86		59	687		1,248					2,880	
8	Wilson, Deborah	Office Assistant I (Crewed)	1,048										1,048	
9	Vacant	Student Assistant (Crewed) *											-	
10	Vacant	Student Assistant (Crewed) *											-	
Total Hours			2,708	2,909	690	2,629	1,241	453	1,248	1,498	112	380	1,600	15,600
Total in Person Years			1.30	1.41	0.33	1.32	0.53	0.22	0.60	0.71	0.05	0.05	0.51	7.50
Total Budget \$			\$ 250,525	\$ 234,914	\$ 72,790	\$ 378,321	\$ 115,053	\$ 48,570	\$ 127,229	\$ 146,679	\$ 9,587	\$ 10,714	\$ 101,887	\$ 1,466,060

- *Forecasting*

Included in this function are the following activities and cost components:

Subscription costs associated with economic, price and weather forecasting services

Software costs associated with load forecasting and a stand alone statistical analysis package (SAS) that is used to support statistical analyses across the organization and across business units

Staff labor required to support the biweekly market conditions review meetings and calls

Staff labor required to support load forecasting efforts as part of the budget, in response to reporting obligations to the CAISO and CEC and in an operational context in the Day Ahead and Real Time scheduling time frames.

Out of the 2,708 hours shown in Forecasting subprogram, we estimate that the time allocated to Ken Goeke and Don Imamura (843 hrs) largely go to load/pool related efforts. We believe the balance of the time allocated in forecasting is more resource specific or applicable to the broader membership (1,865 hrs), so the split appears to be 31% pool and 69% resources

RESOURCE MANAGEMENT

1) Step 1 Allocation: Justify the percentage allocations of sub-program budgets to Resource Management. These sub-programs include:

- Forecasting, Resource Planning, Optimization and Risk Analysis, Power and Fuel Transactions, Pre-scheduling, Contract Admin, Risk Management – Credit Review, and Settlement – Deal Control and Validation.

2) Given the Step 1 allocations of budgets to Resource Management, provide a labor hour and other budget cost-based breakdown of sub-program budget line items for Resource Management. The analysis should indicate the percentage of the cost of each sub-program provided to each Resource and Non-Resource: Hydro, Geo, CT#1 (Roseville), CT#1 (Lodi and Alameda), Western, SCL, Greagle, Mendocino, PalBug, and others as appropriate.

The relevant sub-programs are 1) Forecasting, 2) Resource Planning, Optimization and Risk Management, 3) Power and Fuel Transactions, 4) Pre-scheduling, 5) Facilities Administration, 6) Contract Maintenance, Negotiation and Admin, Litigation Support. Support, 7) Risk Management – Credit Review, 8) Power Settlements – Deal Control and Data Validation

If the cost causation basis for any sub-program is primarily capacity based (dependable or nameplate capacity, system use, or other measure of capacity), this should be justified.

- Reference Slide 23.

BILLING, BALANCING AND SETTLEMENTS

1) Power Settlements – Billing Balancing and Settlements

- A description of the primary cost causation factors for this sub-program: a labor-hour based analysis of staff time as spent per Member, per Resource, or as driven by the number of schedules, contracts, and load.
- Reference Slide 24.

Response to Data Request from Section 5 – Question 1 and Section 6 – Questions 1 and 2

FORECASTING

		FORECASTING & PRESCHEDULING						OTHER RESOURCES					
		Forecasting	Resource Optimizatin, Risk Analysis & Mgmt.	Power & Fuel Transactions	Pre Scheduling	Power Pool Administration	Facilities Agreement Administration	Hydro	NCPA Green Power Project	Natural Gas Information Program	Gas CT & STIG	Market Purchase Project	
Name	Position	557-102-100 532-010-000	557-102-200 532-010-000	557-102-300 532-010-000	557-102-400 532-010-000	557-102-500 532-010-000	557-102-600 532-010-000	535-008-000 532-010-000	557-110-000 532-010-000	557-024-001 532-010-000	557-024-000 532-010-000	557-120-000 532-010-000	Total
Lee, Thomas S.W.	Engineer V, Supv - Portfolio and Pool Mgmt	388	448	147	155	489	96		200	12	25	120	2,080
Goeke, Kenneth	Engineer IV - Forecasting	754	454	36	454	182						200	2,080
Griffith, Dana Wm	Engineer IV, Power Coordination & Planning	136	565	50			124		1,040	50	75	40	2,080
Bonatto, Jan	Engineer I - Transmission Congestion/Market Analysis	1,238	146	33		163			250	50		200	2,080
Inamura, Donald T.	Short Term Planner	89	346	107	663	267	108					500	2,080
McMahan, Kevin	Lead Pre-Scheduler	17		258	1,680		125						2,080
Worthington, Norm	Scheduler, Hydro	86		59	687			1,248					2,080
Vacant	Student Assistant (Casual)	520	520										1,040
Vacant	Office Assistant I (Casual)		1,040										1,040
Vacant	Student Assistant (Casual)		1,040										1,040
Total Hours		3,228	4,559	690	3,639	1,101	453	1,248	1,490	112	100	1,060	17,680
Total in Person Years		1.55	2.19	0.33	1.75	0.53	0.22	0.60	0.72	0.05	0.05	0.51	8.50

- Forecasting**

The forecasting effort includes the following areas: Member loads (long- and short-term up to real-time), economic and business assessments, energy markets and prices (e.g. A/S, XM, natural gas, etc.), hydrology and weather (regional and specific to Collierville), and retail rates. The weekly market price for power and fuel report and bi-weekly conference call discussions are products of this program.

Included in this function are the following activities and cost components:

Subscription costs associated with economic, price and weather forecasting services

Software costs associated with load forecasting and a stand alone statistical analysis package (SAS) that is used to support statistical analyses across the organization and across business units

Staff labor required to support the biweekly market conditions review meetings and calls

Staff labor required to support load forecasting efforts as part of the budget, in response to reporting obligations to the CAISO and CEC and in an operational context in the Day Ahead and Real Time scheduling time frames.

Out of the 2,708 shown in the Forecasting subprogram, we estimate that the time allocated to Ken Goeke and Don Imamura (843 hrs) largely go to load/pool related efforts. We believe the balance of the time allocated in forecasting is more resource specific or applicable to the broader membership (1,865 hrs) so the split appears to be 31% pool and 69% resources.

RESOURCE PLANNING, OPTIMIZATION, RISK ANALYSES AND MANAGEMENT

			FORECASTING & PRESCHEDULING					OTHER RESOURCES					
			Forecasting	Resource Optimization, Risk Analysis & Mgmt.	Power & Fuel Transactions	Pre Scheduling	Power Pool Administration	Facilities Agreement Administration	Hydro	NCPA Green Power Project	Natural Gas Information Program	Gas CT & STIG	Market Purchase Project
No.	Name	Position	557-102-100 532-010-000	557-102-200 532-010-000	557-102-300 532-010-000	557-102-400 532-010-000	557-102-500 532-010-000	557-102-600 532-010-000	535-008-000 532-010-000	557-110-000 532-010-000	557-024-001 532-010-000	557-024-000 532-010-000	557-120-000 532-010-000
1	Lee, Thomas S.W.	Engineer V, Supv - Portfolio and Pool Mgmt	388	448	147	155	489	96		200	12	25	120
2	Goeke, Kenneth	Engineer IV - Forecasting	754	454	36	454	182						200
3	Griffith, Dana Wm	Engineer IV, Power Coordination & Planning	136	565	50			124		1,040	50	75	40
4	Bonatto, Jan	Engineer I - Transmission Congestion/Market Analysis	1,238	146	33		163			250	50		200
5	Imamura, Donald T.	Short Term Planner	89	346	107	663	267	108					500
6	McMahan, Kevin	Lead Pre-Scheduler	17		258	1,680		125					
7	Worthington, Norm	Scheduler, Hydro	86		59	687			1,248				
8	Vacant	Student Assistant (Casual)	520	520									
9	Vacant	Office Assistant I (Casual)		1,040									
10	Vacant	Student Assistant (Casual)		1,040									
Total Hours			3,228	4,559	690	3,639	1,101	453	1,248	1,490	112	100	1,060
Total in Person Years			1.55	2.19	0.33	1.75	0.53	0.22	0.60	0.72	0.05	0.05	0.51
													8.50

- Resource Planning, Optimization, Risk Analyses and Management**

Each element of this program is performed for the Pool and individual Members. A certain level of tailoring is required depending on the physical and financial needs of individual Members. The long-term (up to 10 yrs) load/resource optimization and balance portion of this program provides the basic information for the NCPA Annual Budget and is adjusted for other filing and resource commitment requirements. The short-term planning updates (current year up to 3 yrs) and risk assessment provide for pre-month forward transaction requirements (purchases and/or sales of power and fuel). The Value of Storage (opportunity cost of energy limited resources) for hydro resources and evaluation/development of resources and products (power plants, and power/fuel contracts) are also developed in this program. Special projects and transaction types (eg untangle/exchange) special studies (eg LMP/CRR, Steamfield Optimization, Hydro-PG&E cleanup, etc) are also developed under this program. Finally, this program provides support for the monthly comparison between the current FY Annual Budget vs the All Resources Bill (ARB), along with the initial design and development for this portal product.

Included in this function are the following activities and cost components:

Legal costs associated with procurement transactions, procurement RFP's and other FERC activity related to gas procurement

Software costs associated with the Plexos Production Cost Model, MRTU bidding model, at Risk and historical hydro data
Risk Management consulting services (if needed)

Staff labor to participate in weekly operational discussions of expected plant output level and operations and the integration of this information into adjusted forecasts, schedules and operating plans

Staff labor to review and coordinate with Operating Entities in the hydro project and to develop value of storage estimates

Staff labor to provide a running assessment of actual member costs versus budget forecast, coupled with a running updated estimate of forecast member costs for the portion of the year still outstanding versus the remaining budget as forecast.

Of the 2,999 hours allocated in this subprogram, we estimate the time allocated to Dana Griffith (565 hrs) and Jan Bonatto (146 hrs) are largely associated with the long term forecast prepared with the supply portion of the annual budget and as a result, is more resource specific and applies to the broader membership. We estimate the time allocated to Don Imamura (346 hrs) is largely associated with the short term planning updates and as a result in more specific to Pool related activities. Ken Goeke's work in this category is associated with analysis associated with CRR nominations and the implementation of settlement algorithms; Work associated with load following for the Pool and SVP; Settlement prototype work (COTP buyback, western/COTP displacement); and analysis of monthly scheduling results (A/S sales, CRR's, Load Following). Given this breakdown, we estimate the time allocated to Ken Goeke (454 hrs) is allocable as follows: approximately 80% of the effort is pool related and 20% is associated with billing/settlement work that is allocable to the broader membership that we would allocate as an overhead. We expect that the hours allocated to Tom Lee (448 hrs) should be allocated in proportion to the split between pool/resources/overhead that is derived from the effort of his staff. As a practical matter, the specific focus of Tom's time will vary from year to year in this area, with some years focusing almost exclusively on specific new resources such as the LEC and Western Geo projects, while in other years, he may be more focused on pooling related activities. On balance, we see the allocation of his time as being derived from the allocation of his staff as being appropriate. We estimate the time allocated to Deborah Wilson (1,040 hrs) is associated with preparation and distribution of information required to prepare power content labels. The power content labels themselves are prepared for pool members. Separately, plant and contract output data are summarized and sent to the California Energy Commission and to the relevant member in order that they have the data required to prepare their own power content labels to the extent NCPA does not prepare the label for them. Staff estimates that about 70% of the effort goes to supporting pooling activities and approximately 30% goes to support resource related reporting activities (which includes both contracts and resources whether member or NCPA owned. The table below summarizes these estimates.

Resource Planning, Optimization, Risk Analyses and Management				
	Pooling	Resources	Overhead	Total
Dana Griffith	0	0	565	565
Jan Bonatto	0	0	146	146
Don Imamura	346	0	0	346
Ken Goeke	363	91	0	454
Deborah Wilson	728	312	0	1040
Subtotal	1437.2	402.8	711	2551
	56.34%	15.79%	27.87%	
Tom Lee	252	71	125	448
Subtotal	252	71	125	448
Total	1690	474	836	2999
Percent of Total	56.34%	15.79%	27.87%	

In the event we do not create a new bucket to allocate the column entitled Overheads, we would recommend including this column in the Resources bucket and assessing the allocation factors in that bucket to make sure that costs associated with the effort in this category are allocated equitably.

POWER AND FUEL TRANSACTIONS

			FORECASTING & PRESCHEDULING						OTHER RESOURCES					
			Forecasting	Resource Optimization, Risk Analysis & Mgmt.	Power & Fuel Transactions	Pre Scheduling	Power Pool Administration	Facilities Agreement Administration	Hydro	NCPA Green Power Project	Natural Gas Information Program	Gas CT & STIG	Market Purchase Project	
No.	Name	Position	557-102-100 532-010-000	557-102-200 532-010-000	557-102-300 532-010-000	557-102-400 532-010-000	557-102-500 532-010-000	557-102-600 532-010-000	535-008-000 532-010-000	557-110-000 532-010-000	557-024-001 532-010-000	557-024-000 532-010-000	557-120-000 532-010-000	Total
1	Lee, Thomas S.W.	Engineer V, Supv - Portfolio and Pool Mgmt	388	448	147	155	489	96		200	12	25	120	2,080
2	Goeke, Kenneth	Engineer IV - Forecasting	754	454	36	454	182						200	2,080
3	Griffith, Dana Wm	Engineer IV, Power Coordination & Planning	136	565	50			124		1,040	50	75	40	2,080
4	Bonatto, Jan	Engineer I - Transmission Congestion/Market Analysis	1,238	146	33		163			250	50		200	2,080
5	Inamura, Donald T.	Short Term Planner	89	346	107	663	267	108					500	2,080
6	McMahan, Kevin	Lead Pre-Scheduler	17		258	1,680		125						2,080
7	Worthington, Norm	Scheduler, Hydro	86		59	687			1,248					2,080
8	Vacant	Student Assistant (Casual)	520	520										1,040
9	Vacant	Office Assistant I (Casual)		1,040										1,040
10	Vacant	Student Assistant (Casual)		1,040										1,040
Total Hours			3,228	4,559	690	3,639	1,101	453	1,248	1,490	112	100	1,060	17,680
Total in Person Years			1.55	2.19	0.33	1.75	0.53	0.22	0.60	0.72	0.05	0.05	0.51	8.50

- Power and Fuel Transactions (purchase and/or sale) and related Products**

NCPA transacts to serve the physical and financial power and fuel needs of its Members through this program. The duration of these power and fuel transactions range from next hour to balance of month, but mostly for the Day Ahead time-frame. Efforts under this sub program are primarily associated with the procurement of fuel for the STIG and CT projects, where fuel may be procured for the project in order to make a market sale for the benefit of the project owners or to provide energy for the pool, where the energy would be priced at the market clearing price, but the project participant may also be a pool participant.

Included in this function are the following activities and cost components:

Staff labor to update and enter fuel related transactions including NCPA initiated, member initiated or asset related transactions

All costs associated with this subprogram are liquidated to the CT1 and CT2 projects and charged out according to project entitlement percentages.

PRE SCHEDULING

			FORECASTING & PRESCHEDULING					OTHER RESOURCES					Total	
			Forecasting	Resource Optimizatin, Risk Analysis & Mgmt.	Power & Fuel Transactions	Pre Scheduling	Power Pool Administration	Facilities Agreement Administration	Hydro	NCPA Green Power Project	Natural Gas Information Program	Gas CT & STIG		Market Purchase Project
No.	Name	Position	557-102-100 532-010-000	557-102-200 532-010-000	557-102-300 532-010-000	557-102-400 532-010-000	557-102-500 532-010-000	557-102-600 532-010-000	535-008-000	557-110-000 532-010-000	557-024-001 532-010-000	557-024-000 532-010-000	557-120-000 532-010-000	
1	Lee, Thomas S.W.	Engineer V, Supv - Portfolio and Pool Mgmt	388	448	147	155	489	96		200	12	25	120	2,080
2	Goeke, Kenneth	Engineer IV - Forecasting	754	454	36	454	182						200	2,080
3	Griffith, Dana Wm	Engineer IV, Power Coordination & Planning	136	565	50			124		1,040	50	75	40	2,080
4	Bonatto, Jan	Engineer I - Transmission Congestion/Market Analysis	1,238	146	33		163			250	50		200	2,080
5	Imamura, Donald T.	Short Term Planner	89	346	107	663	267	108					500	2,080
6	McMahan, Kevin	Lead Pre-Scheduler	17		258	1,680		125						2,080
7	Worthington, Norm	Scheduler, Hydro	86		59	687			1,248					2,080
8	Vacant	Student Assistant (Casual)	520	520										1,040
9	Vacant	Office Assistant I (Casual)		1,040										1,040
10	Vacant	Student Assistant (Casual)		1,040										1,040
Total Hours			3,228	4,559	690	3,639	1,101	453	1,248	1,490	112	100	1,060	17,680

Pre Scheduling

Provides for the day ahead load/resource pre-schedules for the Pool and other members (i.e. TDPUD and BART), and day ahead resource coordination/validation/scheduling for TID, BART, TDPUD, SVP and RO. The load/resource pre-schedules are balanced with additional Day Ahead transactions and accounting for all reserve requirements under respective control areas (CAISO, SMUD-WAPA and SPP). This operation also includes E-tagging, coordination/communications with all NCPA resource owners and management of CVP Corp Portal and CVP BR (Pool, BART and TD).

Included in this function are the following activities and cost components:

Brokerage fees on ICE, Landmark and Amerex required to support purchases and sales

OASIS and OATI Tagging Software

WECC Scheduling Meetings and Market Interface Committee participation

Staff labor to develop monthly load/resource balances for each pool member and to coordinate/adjust for differences between expected and actual western base resource deliveries

Staff labor to prepare daily pre-schedules for loads and resources, including Operating Entity (OE) coordination and implementation of OE operating instructions

Staff labor to investigate, correct or assist with any schedules that fail the CAISO SC validation process.

We estimate that the time allocated to Don Imamura (663 hrs) is largely associated with the reconciliation of monthly load/resource balances to day ahead load/resource balances and associated coordination of western resource deliveries. As such, this is primarily a pool related activity. We estimate that the time allocated to Kevin McMahan (1,680 hrs) is primarily associated with preparing pre-schedules associated with the Pool, SVP, Roseville, TDPUD, BART and TID. The level of effort here is estimated at 70% Pool, 10% SVP, 10% Roseville, 6% BART, 2% Truckee Donner and 2% TID, We estimate that the time allocated to Norm Worthington (687 hours) is largely associated with pre-scheduling activities for the hydro facility, BART and Truckee Donner. Approximately 30% of the time is associated with hydro related scheduling activities that is allocated equally between the pool, Roseville and SVP and 70% of the time is associated with BART and Truckee Donner scheduling related activities and should be split 50% to BART and 20% to Truckee Donner. The time allocated to Ken Goeke (454 hrs) is associated with the daily load forecasting for the Pool, BART and TDPUD. Approximately 50% of Ken's time is associated with preparation of the BART load schedule, 30% is associated with preparation of the TD load schedule and 20% is associated with the Pool schedule. Tom Lee's time (155 hrs) should be allocated in the same fashion as the supervisor for all of the work that occurs here.

Hydro related work under this category consists of daily modeling of day ahead generation requests and allocating Spicer generation based on release requirements and requests. It involves coordination of the information between each of the operating entities. Individual OE schedules are reviewed to ensure that project limits are not exceeded and/or that license obligations are being complied with.

Pre Scheduling							
	Pool	SVP	Roseville	TID	BART	TDPUD	Total
Kevin McMahan	1176	168	168	33.6	100.8	33.6	1680
Don Imamura	663	0	0	0	0	0	663
Norm Worthington	68.7	68.7	68.7	0	343.5	137.4	687
Ken Goeke	90.8	0	0	0	227	136.2	454
Subtotal	1998.5	236.7	236.7	33.6	671.3	307.2	3484
Percent of Total	57.36%	6.79%	6.79%	0.96%	19.27%	8.82%	
Tom Lee	88.9	10.5	10.5	1.5	29.9	13.7	155.0
Total	2087.4	247.2	247.2	35.1	701.2	320.9	3639.0
Percent of Total	57.36%	6.79%	6.79%	0.96%	19.27%	8.82%	

To the extent the above table must be merged into the four bucket categories, staff recommends that all columns except the pool column be merged into the Resources category and that appropriate allocation factors be developed within the Resource bucket to equitable allocate the costs. Examples might be number of e-tags created and managed, western, contracts (to better capture BART and TDPUD effort)

POWER POOL ADMINISTRATION

			FORECASTING & PRESCHEDULING					OTHER RESOURCES					Total	
			Forecasting	Resource	Power &	Daily, Monthly	Power	Facilities	Hydro	NCPA	Natural	Gas		Market
				Optimizatin, Risk	Fuel	Risk Analysis	Pool	Agreement		Green Power	Gas Information	CT & STIG		Purchase
Name	Position		Analysis & Mgmt.	Transactions	& Mgmt.	Administration	Administration		Project	Program		Project		
		557-102-100	557-102-200	557-102-300	557-102-400	557-102-500	557-102-600	535-008-000	557-110-000	557-024-001	557-024-000	557-120-000		
		532-010-000	532-010-000	532-010-000	532-010-000	532-010-000	532-010-000	532-010-000	532-010-000	532-010-000	532-010-000	532-010-000		
Lee, Thomas S.W.	Engineer V, Supv - Portfolio and Pool Mgmt	388	448	147	155	489	96		200	12	25	120	2,080	
Goeke, Kenneth	Engineer IV - Forecasting	754	454	36	454	182						200	2,080	
Griffith, Dana Wm	Engineer IV, Power Coordination & Planning	136	565	50			124		1,040	50	75	40	2,080	
Bonatto, Jan	Engineer I - Transmission Congestion/Market Analysis	1,238	146	33		163			250	50		200	2,080	
Imamura, Donald T.	Short Term Planner	89	346	107	663	267	108					500	2,080	
McMahan, Kevin	Lead Pre-Scheduler	17		258	1,680		125						2,080	
Worthington, Norm	Scheduler, Hydro	86		59	687			1,248					2,080	
Vacant	Student Assistant (Casual)	520	520										1,040	
Vacant	Office Assistant I (Casual)		1,040										1,040	
Vacant	Student Assistant (Casual)		1,040										1,040	
Total Hours		3,228	4,559	690	3,639	1,101	453	1,248	1,490	112	100	1,060	17,680	
Total in Person Years		1.55	2.19	0.33	1.75	0.53	0.22	0.60	0.72	0.05	0.05	0.51	8.50	

- Power Pool Operations and Settlement Standards**

This sub program provides for the development and implementation of operational requirements for the NCPA Power Pool and any subsequent allocation requirements to the members of the NCPA Power Pool, including of the development of Pool procedures and development or modification of the technical aspects of Pooling Agreement Schedules.

All hours here are associated with Pool related activities and should be allocated 100% to the Power Pool Bucket

FACILITIES AGREEMENT ADMINISTRATION

			FORECASTING & PRESCHEDULING					OTHER RESOURCES							
			Forecasting	Resource Optimizatin, Risk Analysis & Mgmt.	Power & Fuel Transactions	Daily, Monthly Risk Analysis & Mgmt.	Power Pool Administration	Facilities Agreement Administration	Hydro	NCPA Green Power Project	Natural Gas Information Program	Gas CT & STIG			Market Purchase Project
Name	Position	557-102-100 532-010-000	557-102-200 532-010-000	557-102-300 532-010-000	557-102-400 532-010-000	557-102-500 532-010-000	557-102-600 532-010-000	535-008-000 532-010-000	557-110-000 532-010-000	557-024-001 532-010-000	557-024-000 532-010-000	557-120-000 532-010-000	Total		
Lee, Thomas S.W.	Engineer V, Supv - Portfolio and Pool Mgmt	388	448	147	155	489	96		200	12	25	120	2,080		
Goeke, Kenneth	Engineer IV - Forecasting	754	454	36	454	182						200	2,080		
Griffith, Dana Wm	Engineer IV, Power Coordination & Planning	136	565	50			124		1,040	50	75	40	2,080		
Bonatto, Jan	Engineer I - Transmission Congestion/Market Analysis	1,238	146	33		163			250	50		200	2,080		
Imamura, Donald T.	Short Term Planner	89	346	107	663	267	108					500	2,080		
McMahan, Kevin	Lead Pre-Scheduler	17		258	1,680		125						2,080		
Worthington, Norm	Scheduler, Hydro	86		59	687			1,248					2,080		
Vacant	Student Assistant (Casual)	520	520										1,040		
Vacant	Office Assistant I (Casual)		1,040										1,040		
Vacant	Student Assistant (Casual)		1,040										1,040		
Total Hours		3,228	4,559	690	3,639	1,101	453	1,248	1,490	112	100	1,060	17,680		
Total in Person Years		1.55	2.19	0.33	1.75	0.53	0.22	0.60	0.72	0.05	0.05	0.51	8.50		

Facilities Agreement Administration

This sub program provides for the development and implementation of operational requirements associated with the Facilities Agreement, including of the development of plant operating procedures and development or modification of the technical aspects of Facilities Agreement Schedules. As such, these hours should be allocated 100% to resources. An allocation of time to the various plants is not possible. The effort will vary widely from year to year. If we were to look back at the last year, the effort would be focused on the comprehensive update to the Facilities Agreement as opposed to any one plant, with a particular focus on efforts to develop a methodology for addressing common plant costs like scheduling and dispatch.

Response to Data Request from Section 4 – Question 3

		SYSTEM CONTROL & LOAD DISPATCH				
		Dispatch & RT Resource Management	Schedule Coordination & RT Balancing	System Control & Data Acquisition	WECC/NERC Compliance & Participation	
		556-101-100	556-101-200	556-101-300	556-101-400	
Name	Position	531-010-000	531-010-000	531-010-000	531-010-000	TOTAL
Young, Fred	Chief Dispatch & Scheduling	780	750	50	500	2,080
Wilke, David	Supervisor, Dispatch Operations	1,280	600	100	100	2,080
Linkiewicz, Lana	System Dispatcher	1,940	100		40	2,080
McCartney, Patricia A.	System Dispatcher	1,940	100		40	2,080
Ramirez, Baltazar	System Dispatcher	1,940	100		40	2,080
Brush, Michael	System Dispatcher - Relief	1,020	1,020		40	2,080
Sweeney, Tina	System Dispatcher	100	1,940		40	2,080
Andrade, Lori	System Dispatcher - Relief	1,020	1,020		40	2,080
Crosby, Scott	Schedule Coordinator	100	1,940		40	2,080
Feliciano, Alberto	Schedule Coordinator	100	1,940		40	2,080
Gundersen, James	Schedule Coordinator - Relief	100	1,940		40	2,080
Hill, Peter	Schedule Coordinator	100	1,940		40	2,080
McMahan, Kimberly	Schedule Coordinator	100	1,940		40	2,080
vacant	Student Engineer (Casual) *					-
vacant	Student Engineer (Casual) *					-
Total Hours		10,520	15,330	150	1,040	27,040
Total in Person Years		5.05	7.37	0.07	0.50	13.00

The metered subsystem aggregator agreement (MSSA) takes the place of a number of CAISO agreements that would have to be signed by NCPA members, but for the execution of the MSSA. The MSSA acts as a substitute for the following CAISO required agreements

- Participating Generator Agreement (PGA)
- Participating Load Agreement (not applicable for any NCPA members yet)
- Utility Distribution Company Operating Agreement (UDC)
- Participating Transmission Owner Agreement (PTO) (not applicable to any NCPA members yet)
- Meter Service Agreement (MSA)

The MSSA specifies all points of interconnection with the CAISO controlled grid including:

- Load points for each of the ten interconnected pool members (2 each for Alameda, Lodi, Lompoc and Port, 3 each for Palo Alto and 6 for SVP)
- Load points for SVP
- Double circuit Collierville to Bellota transmission line
- Two Geysers Lakeville 230kv lines
- COTP rights

- All Generating Facilities listed in Schedule 14 of the MSSA (see file 09162209 Nexant Request – Response to Section 2 Question 2 (list of Resources and Services).xlsx for a listing of resources and id's)

Given the nature of the MSSA agreement, we are not sure we fully understand what is being asked in question number 3 of the section 4 data request. Our sense is that the MSSA would have a set of costs that are allocable to activities associated with the following categories:

- Load
- Resources
- Contracts

And as such there would be no value in coming up with an estimate of costs to manage the MSSA because it would be meaningless from a cost allocation stand point.

We'll start our analysis with the assumption that the allocations to the three categories above will be based on the budget categories contained in "Schedule Coordination", "RT Dispatch" and "Resource Management" as opposed to MSSA Management and further that costs will flow to those categories in part based on labor hours and in part based on materials, supplies and services required to support the effort in each of those categories (Load, Resources or Contracts).

Dispatch and RT Resource Management

Provides for the 24x7 monitoring of member loads, real-time dispatch of resources, current day and real-time power trading, and facilities outage coordination in accordance with the Metered Sub-System Aggregator Agreement (MSSA), CAISO, SMUD, Western, WECC and NERC operating procedures and protocols

Outage coordination is a requirement of the CAISO tariff and the MSSA. NCPA provides outage coordination services for NCPA owned projects (Geo, Hydro, CT1, CT2), member projects (Ukiah – hydro, Palo Alto – Co bug, Richmond – landfill, Santa Cruz landfill, Keller Canyon – landfill, Ox Mountain – landfill),. Approximately 112 hours of the 10,520 hours allocated to Dispatch and RT Resource Management are associated with the outage coordination function. Additionally, from a Schedule Coordination standpoint, approximately 192 hours of the 15,330 hours allocated to Schedule Coordination and RT Balancing are associated with the planned outage coordination function. These hours were arrived at by assuming that outage processing from a dispatch/schedule coordination standpoint requires 10/5 minutes per outage. To the extent outage coordination services are provided, the level of effort is broken down by resource as follows:

Resource	Number of Planned outages
Alameda CTs	33
Collierville	26
Geysers Units 1-4	27
Lodi CT	4
New Spicer Meadow	16
Richmond Landfill	3
Roseville CTs	11
Santa Cruz Landfill	45
Ukiah Hydro	1
Resource	Number of unplanned outages
Alameda CTs	15
CoBUG	2
Collierville	8
Geysers Units 1-4	9
Lodi CT	3
New Spicer Meadow	14
Richmond Landfill	19
Roseville CTs	9
Santa Cruz Landfill	47
Ukiah Hydro	18

The balance of the hours associated with Dispatch and RT Resource Management are then allocable to Load, Resource and Contract related activities. Generation is adjusted to stay within the deviation band based on unplanned variations in load, unplanned variations in generator output levels, outages on the grid that prevent contracts from being delivered, failures of counterparties to perform for any reason, instructions from the CAISO to move generator output levels for reliability reasons, instructions from the CAISO to move generator output levels in response to an accepted bid (energy or A/S) in the CAISO's markets. Our estimate of the volume of work associated with each of these categories is as follows:

1. Reacting to unplanned variations in load associated with pool member load forecasts – 3565 (6 minutes per hour or 1 minute out of every 10 minute interval) hrs
2. Reacting to unplanned variations in generation associated with NCPA owned resources - 195/166 hrs (Dispatch/SC) – 20/10 minutes per outage due to CAISO Forced Outage reporting requirements and typical hour by hour nature of a forced outage.
3. Reacting to outages on the CAISO grid that require changes to NCPA owned generation – 488/832 hrs (Dispatch/SC)
4. Reacting to failures of supply contracts executed for the sole purpose of meeting pool member load obligations – 244/832 hrs (5 hours per month for Dispatch function and 10 hours per month for Schedule Coordination due to tag changes, resupply, etc. Calculated on an annual basis)
5. Reacting to outages on the CAISO grid that require changes to member contract supply resources other than NCPA owned generation – 244/832 (same as #4) hrs

6. Reacting to CAISO instructions to move generation for reliability reasons – 49/83 hrs – Approximately 1 hour per month per function(Dispatch)
7. Reacting to CAISO instructions to move generation for accepted bids in the CAISO markets - 297 hrs – 30 seconds per hour (Dispatch)

The work identified above is summarized in the table below:

Function	Dispatch and RT Resource Management	Schedule Coordination	SCADA	WECC/NERC Compliance	Total Hours
Total Hours	10520	15330	150	1040	27040
Outage Coordination	112.6	191.7	0		304.3
Adjusting for changes in load #1	3565		0		3565
Unplanned variations in generation #2	195.4	166.3			361.7
ISO required generation changes due to grid issues #3	488.4	831.6	0		1320
Failures of supply contracts #4	244.2	831.6			1075.8
Curtailements due to failures of CAISO grid (COTP, Marble)	244.2	831.6			1075.8
ISO instructions due to reliability issues #6	48.8	83.2	0		132
ISO instructions due to accepted bids #7	297.1	0	0		297.1
Schedule Coordination (Day Ahead)	0	600	0		600
Schedule Coordination (Hour Ahead)	0	180	0		180
Schedule Coordination (Adjustments to schedules)	0	182	0		182
Schedule Coordination (schedule validation)		3650			3650
Schedule Coordination (market validation)		3650			3650
Schedule Coordination (Settlements department corrections)		608			608
Training				440	0
WECC/NERC meeting participation/Standards compliance				600	0
Meter issue/settlement resolution and SCADA management			150		0
Management and supervision	2060	1350			3410
System Monitoring	3264.3	2174			5438.3

One conclusion that can be drawn from this data is that “system monitoring” or the last line in the above table, is the capacity that is left over after all of the variable activities have been completed and is the capacity associated with having the dispatch and scheduling capability available on a 24x7 basis. We’ll call it the fire station analogy.

Schedule Coordination

Provides for the Day-Ahead and Hour-Ahead balanced scheduling of NCPA and member loads and resources with the CAISO, compliance with WECC Unscheduled Flow Mitigation procedures, transaction E-tagging, and transmission availability monitoring.

The vast majority of variable Schedule Coordination activity is associated with the development of the day ahead schedules. The secondary level of variable effort is associated with updates to the hour ahead schedules, and a third level of variable effort is associated with schedule changes that are necessary as a result of activity resulting from events described above in the Dispatch and RT Resource Management discussion.

The level of variable effort in Schedule Coordination is directly proportional to the number of schedules being prepared and the corresponding detail (complexity) that is required to be provided on each schedule. Load schedules and contract schedules are relatively simple schedules to prepare and consume relatively small amounts of labor. In contrast, generator

schedules are more complex, as bids must be submitted for energy and ancillary services in the Day Ahead markets, and subsequently updated in the Hour Ahead markets for those instances where a DA bid was not accepted or the bid or schedule was modified by the CAISO for some reason. Given this background, the approximate level of effort provided in the following categories is estimated as follows

Day Ahead Schedule Preparation associated with Load for the pool and SVP – 60 hours
Day Ahead Schedule preparation associated with exports for Roseville – 60 hours
Day Ahead Schedule preparation associated with SC trades out for TID – 60 hours
Day Ahead Schedule preparation associated with NCPA owned resources – 120 hours
Day Ahead Schedule preparation associated with member owned resources – 90 hours
Day Ahead Schedule preparation associated with NCPA owned contracts – 120 hours
Day Ahead Schedule preparation associated with member owned contracts – 90 hours
After the Fact flag corrections required for settlement purposes associated with pool and SVP contracts – 608 hours

Hour Ahead Schedule Preparation associated with Load for the pool and SVP - 0
Hour Ahead Schedule preparation associated with exports for Roseville – 30 hours
Hour Ahead Schedule preparation associated with SC trades out for TID - 0
Hour Ahead Schedule preparation associated with NCPA owned resources – 30 hours
Hour Ahead Schedule preparation associated with member owned resources – 30 hours
Hour Ahead Schedule preparation associated with NCPA owned contracts – 30 hours
Hour Ahead Schedule preparation associated with member owned contracts – 60 hours
Hour Ahead Schedule validation with CAISO scheduling system associated with pool and SVP contracts – 3650 hours
Hour Ahead market monitoring associated with pool and SVP contracts – 3650 hours

Set of adjustments described above – 182 hours

Appendix E Labor Analysis of Risk Management and Power Settlements

Response to Data Request from Section 2 – Question 1

Revised budget descriptions are below:

Energy Risk Management

Energy Risk Management (ERM) is a middle office function in energy wholesale operations. It conducts analyses on energy market risk and counterparty credit exposure and provides independent oversight on front office energy procurement transactions, ensuring compliance with NCPA adopted risk management policy and procedures. In addition, ERM also works with Power Management in designing and implementing appropriate energy procurement/hedging strategy and guidelines.

Current budget designates one person to fulfill desired job functions, with support from Power Settlement group in counterparty credit evaluation and monitoring. ERM has two segments: market risk management and counterparty credit risk management.

Market Risk Management Program Functions & Goals (ROC, IROC Meetings & Activities)

1. Assess and manage NCPA portfolio market exposure

Develop, update and maintain models and tools; gather and process market data; and conduct quantitative, financial and statistical analyses on:

- a. Portfolio risk exposures (cost Value at Risk) due to market price volatilities of the underlying commodities (gas and power);
- b. Mark to market position of term transactions and assess and monitor counterparty credit risk exposures;
- c. Gas and power price movements, distribution, and volatilities, support front office energy procurement activities.

2. Conduct ROC, IROC meetings and activities

Prepare and present risk management reports to Risk Oversight Committee, upper management and member cities. Reporting package includes:

- a. Open position for the Pool and by individual member, on peak and off peak;
- b. Portfolio exposure to market price volatility (open position Cost Value at Risk);
- c. Mark to Market position of term contracts/transactions;
- d. Counterparty credit exposure, limits, and margin call status;
- e. Market analytics and update on gas & power price trends, distribution and volatilities;
- f. Compliance review and exception (if any) reports.

3. Monitor economy and energy market development

- a. Research and analyze macro and sector market events and development, including global and geopolitical events and development;
- b. analyze trends and driving factors of the energy commodity market movements;

4. *Update policy/procedures and ensure compliance*

- a. Develop, update, and implement energy risk management policies, procedures, and communications;
- b. Ensure compliance - provide independent oversight on wholesale energy operations, review deals and RFPs, ensure compliance with NCPA adopted policy & procedures and report on exceptions.

Counterparty Credit Risk Management Program Functions & Goals (Counter-party Credit Review & Analysis)

Counterparty credit exposure changes as contract mark to market position changes resulting from energy market price volatility. NCPA energy risk management program actively manages counterparty credit exposure via timely credit evaluation & update and on-going event monitoring. The agency also subscribe Moody's KMV Credit Edge tool which provide advance alert if any counterparty credit standing deteriorates and default probability increases. Specific functions and goals under this category include:

- a. Timely evaluate counterparty credit worthiness, monitor market and credit events;
- b. Monitor counterparty credit events;
- c. Review, approve and recommend counterparty credit limits based on evaluations;
- d. Ensure proper credit support from counterparties;
- e. Negotiate and evaluate enabling (master) agreements with counterparties, ensuring compliance with NCPA credit risk management policy and regulations;
- f. Review deals and RFPs, conduct Value at Risk analysis and assess potential credit exposures by counterparties;
- g. Update and implement counterparty credit risk management policy and procedures, ensure compliance and report on exceptions.

Power Settlements Department Description

Department Goals:

The major goals of the Power Settlement department are to:

- Ensure data quality through validation and verification processes,
- Produce accurate and timely billings to members in a transparent manner;
- Perform contract administration requirements

Program Structure and Functional Responsibilities

The following three functional responsibilities describe the major settlement activities performed by the Power Settlements department in support of its major goals.

I. Billing, Balancing & Settlements

The Billing, Balancing & Settlements category is primarily composed of the following three settlement business activities: (1) Settlement Business Design and Management; (2) All Resources Bill (ARB) Administration; and, (3) Contract Administration.

1. Settlement Business Design and Management

The major responsibilities of this program provide ongoing settlement design and development of business artifacts (i.e. business process flow models, settlement procedures, state diagrams, and control activities) to achieve organizational efficiency, agility, and transparency. Responsibilities include the development of business rules, which form the basis for the development of NCPA settlement software requirements. Additionally, this function includes ongoing support for required modifications to settlements among NCPA members, as necessary, to ensure compliance with any modified agreements, new contracts, or settlement of members' bilateral contract arrangements. Work with Information Services staff to develop, test and accept software requirements pursuant to contract administration requirements.

2. All Resources Bill (ARB) Administration

The NCPA All Resources Bill (ARB) is a comprehensive, integrated monthly invoice related to the accounting and settlements for:

- jointly owned projects,
- budgeted NCPA Project debt costs,
- NCPA administrative costs;
- Western Area Power Administration CVP and Base Resource costs;
- NCPA and member Market Purchases and Sales;
- Natural Gas fuel costs;
- Pool Energy Exchange; and,
- Verified and approved CAISO amounts.

In addition, the ARB administration provides members with all necessary bill determinant detail support data and variance reports.

3. Contract Administration

This business activity provides for the support of new or modified NCPA contracts among its members, including:

- Maintain Appendix B of the Scheduling Coordinator Program Agreement (SCPA) with updated CAISO settlement charge codes,
- Monitor SCPA Balancing Account requirements,
- Maintain requirements related to terms of Pooling Agreement
- Monitor CAISO credit collateral requirements based on NCPA members' Unsecured Credit Limits and Estimated Aggregate Liability amounts.
- Perform accounting and settlements in conformance of bilateral agreements among NCPA members for energy and capacity transactions.

II. Deal Control Validation and Monitoring

As a standard control activity, NCPA's Power Settlements staff each month validates and reconciles all bilateral energy purchases and sales transactions with NCPA's counter parties at the conclusion of each month for contracted quantities, terms, and prices. In addition, Power Settlement staff accounts for the financial settlement of any energy layoffs and book-outs that may result from energy curtailments or derated transmission line capacity.

III. CAISO Data Validation and Monitoring

This business function provides two integrated business activities. The first activity ensures for the validation and verification of CAISO settlement bill determinants and settlement amounts received by the CAISO that are contained within daily CAISO settlement statements and invoices for each billing period.

Settlement verification is performed through comparison of CAISO settlement amounts and estimated NCPA amounts for each applicable settlement charge code. This validation activity further encompasses the business processes associated with the identification, research and resolution of disputed CAISO settlement amounts.

The second business activity provides for the allocation of CAISO Scheduling Coordinator charges and revenues to NCPA's Operating Entities, Energy Service Providers (ESP) and allocation to Pool Members in conformance of Appendix B of the SCPA.

Response to Data Request from Section 3 – Question 1

See response to Section 5 – Question 1: Staff can not reasonably estimate a step one allocation for the Deal Control Validation and Monitoring subprogram, and recommends consideration of only utilizing a step 2 allocation.

Response to Data Request from Section 3 – Question 2

While number of schedules seems to be an appropriate allocator for Schedule Coordination, as indicated in response to Data Request Section 1, Question 1, the Billing Balancing and Settlements subprogram is administrative in nature and relates primarily to consolidation of various data to prepare the All Resources Bill sent to every member and staff recommend this subprogram be considered a part of the separate Administrative and General cost allocation done by the Finance department.

Response to Data Request from Section 5 – Question 1

Power Settlements – Deal Control Validation and Monitoring

Updated hour summary for Settlements Division

		A & G	RISK MANAGEMENT		SETTLEMENTS			
		Administrative & General	Market Risk Management Program	Counterparty Credit Risk Management	Deal Control Validation & Monitoring	ISO Data Validation & Monitoring	Billing, Balancing & Settlements	
		920-000-000	557-042-007	557-042-008	557-045-100	557-045-200	557-045-300	
Organization	Position	XXX-010-00X	XXX-010-000	XXX-010-000	XXX-010-000	XXX-010-000	XXX-010-000	Total
Power Settlements		Hours						Hours
1	Caracristi, Bob Power Accounts Administrator	350	200	200	300	530	500	2,080
2	Odom, Doug Power Accounts Analyst	160	300	600	350	320	350	2,080
3	Godwin, Ruth Ann Accountant/Analyst I	160			420	1,000	500	2,080
4	Gracia, Sharon Accountant/Analyst I	160			710	500	710	2,080
5	Whitney, Michael Accountant/Analyst I	160			960	300	660	2,080
6	Shumaker, Miranda Accountant/Analyst III	160			640	640	640	2,080
Total Administrative Services Hours		1,150	500	800	3,380	3,290	3,360	12,480
Total in Person Years		0.55	0.24	0.38	1.63	1.58	1.62	6.00

Deal Control Validation and Monitoring

As a standard control activity prior to issuance of payment and/or invoices to counter parties, as the case may be, NCPA's Power Settlements staff each month validates and reconciles all bilateral energy purchases and sales transactions with NCPA's counter parties at the conclusion of each month for contracted quantities, terms, prices, and amounts. In addition, Power Settlement staff accounts for the financial settlement of any energy layoffs and book-outs that may result from energy curtailments or derated transmission line capacity.

Included in this function are the following additional cost components:

Staff labor is included to:

- perform multiple data queries each month based on data transactions from the NCPA database related to final schedule transactions originated in the Aces scheduling application;
- Prepare Deal Control Sheet reports that serve as a organizational control document;
- Confirm with NCPA counter parties, primarily via e-mail, of NCPA quantities and amounts by deal or account;
- Research and reconcile any differences identified between NCPA and counter party energy quantities and amounts;
- Finalize control sheet reports to accounting department for submittal of monthly payment and invoices to counter parties.
- maintain, oversee account usage, optimization, and identified enhancements to the TradeManager deal capture system

Software costs associated with Statistical Analysis Software (SAS) that is used to support query and analysis related to Deal Control Validation function;

Response:

Each portion of this sub-program relates to any power transaction that occurs during any given month. This includes all counterparty transactions settled for all NCPA and member transactions, as well as resource sales. Since the level of effort changes depending on the circumstances, staff does not recommend a step 1 allocation for this subprogram, but utilization of a step two allocation based on deal capture statistics for the prior fiscal year. This statistical allocator is recommended to be based on number of deals, weighted by number of members who participate in each deal recorded in the system that is checked out, validated and confirmed with the counterparty. As an example:

Coral	1 transaction for 6 members – each member is allocated a 1/6 point
LADWP	1 transaction for 1 member – one point
SMUD	1 transaction for 13 members 1/13 to each member.

Each “point” should be totaled by member and then percentage shares calculated from the member points over the total points for the month. The last fiscal year data should be used for the calcs.

Response to Data Request from Section 5 – Question 1

Risk Management – Counterparty Credit Risk Management program:

Updated hour summary

Estimated Labor Allocations for FYE June 30, 2011

Organization	Position	A & G	RISK MANAGEMENT		Market Purchase Program	SETTLEMENTS			Total
		Administrative & General	Market Risk Management Program	Counterparty Credit Risk Management		Deal Control Validation & Monitoring	ISO Data Validation & Monitoring	Billing, Balancing & Settlements	
		920-000-000	557-042-007	557-042-008		557-045-100	557-045-200	557-045-300	
		XXX-010-00X	XXX-010-000	XXX-010-000		XXX-010-000	XXX-010-000	XXX-010-000	
Power Settlements		Hours							Hours
1	Caracristi, Bob	Power Accounts Administrator	350	200	200	300	530	500	2,080
2	Odom, Doug	Power Accounts Analyst	160	300	600	350	320	350	2,080
3	Godwin, Ruth Ann	Accountant/Analyst I	160			420	1,000	500	2,080
4	Gracia, Sharon	Accountant/Analyst I	160			710	500	710	2,080
5	Whitney, Michael	Accountant/Analyst I	160			960	300	660	2,080
6	Shumaker, Miranda	Accountant/Analyst III	160			640	640	640	2,080
	Total Administrative Services Hours	1,150	500	800		3,380	3,290	3,360	12,480
	Total in Person Years	0.55	0.24	0.38		1.63	1.58	1.62	6.00
Energy Risk Management									
	Dai, Rui	Energy Risk Manager		1,250	570	260			2,080

Counterparty Credit Risk Management Program Functions & Goals (Counter-party Credit Review & Analysis)

Counterparty credit exposure changes as contract mark to market position changes resulting from energy market price volatility. NCPA energy risk management program actively manages counterparty credit exposure via timely credit evaluation & update and on-going event monitoring. The agency also subscribes to Moody's KMV Credit Edge tool which provides advance alert if any counterparty credit standing deteriorates and default probability increases. Specific functions and goals under this category include:

- h. Timely evaluate counterparty credit worthiness, monitor market and credit events;
- i. Monitor counterparty credit events;
- j. Review, approve and recommend counterparty credit limits based on evaluations;
- k. Ensure proper credit support from counterparties;
- l. Negotiate and evaluate enabling (master) agreements with counterparties, ensuring compliance with NCPA credit risk management policy and regulations;
- m. Review deals and RFPs, conduct Value at Risk analysis and assess potential credit exposures by counterparties; (direct charged to MPP) Need to consider BART situation.

Included in this function are the following additional cost components:

Subscription costs to Moody's KMV analysis software (net of cost sharing revenues);
 Staff labor to independently evaluate counter party credit worthiness incorporating identified industry 'best practices' methods;
 Attend one industry conference/seminar on the subject per year

Response:

Each portion of this sub-program relates to any power transaction that occurs during any given month that is in NCPA's name. This includes all counterparty transactions for all NCPA transactions, as well as resource sales. Since the level of effort is not directly related to only the pool or resources, staff does not recommend a step 1 allocation for this subprogram, but utilization of a step two allocation based on deal capture statistics for the prior fiscal year. This statistical allocator is recommended to be based on number of NCPA only deals, including sales from the plants weighted by number of members who participate in each deal recorded in the system.

As an example:

Coral	1 purchase transaction for 6 members – each member is allocated a 1/6 point
LADWP	1 sales transaction for a project – one point per project participant
SMUD	1 purchase transaction for 10 members 1/10 to each member.

Each “point” should be totaled by member and then percentage shares calculated from the member points over the total points for the month. The last fiscal year data should be used for the calcs.

Risk Management – Market Risk Management program:

Updated hour summary

Estimated Labor Allocations for FYE June 30, 2011

		A & G	RISK MANAGEMENT			SETTLEMENTS			
		Administrative & General	Market Risk Management Program	Counterparty Credit Risk Management	Market Purchase Program	Deal Control Validation & Monitoring	ISO Data Validation & Monitoring	Billing, Balancing & Settlements	
		920-000-000	557-042-007	557-042-008		557-045-100	557-045-200	557-045-300	
Organization	Position	XXX-010-00X	XXX-010-000	XXX-010-000		XXX-010-000	XXX-010-000	XXX-010-000	Total
Power Settlements		Hours							Hours
1	Caracristi, Bob	Power Accounts Administrator	350	200	200	300	530	500	2,080
2	Odum, Doug	Power Accounts Analyst	160	300	600	350	320	350	2,080
3	Godwin, Ruth Ann	Accountant/Analyst I	160			420	1,000	500	2,080
4	Gracia, Sharon	Accountant/Analyst I	160			710	500	710	2,080
5	Whitney, Michael	Accountant/Analyst I	160			960	300	660	2,080
6	Shumaker, Miranda	Accountant/Analyst III	160			640	640	640	2,080
Total Administrative Services Hours		1,150	500	800		3,380	3,290	3,360	12,480
Total in Person Years		0.55	0.24	0.38		1.63	1.58	1.62	6.00
Energy Risk Management									
Dai, Rui	Energy Risk Manager		1,250	570	260				2,080

Market Risk Management Program Functions & Goals (ROC, IROC Meetings & Activities)

1. Assess and manage NCPA portfolio market exposure

Develop, update and maintain models and tools, gather and process market data, and conduct quantitative, financial and statistical analyses on:

- Portfolio risk exposures (cost Value at Risk) due to market price volatilities of the underlying commodities (gas and power);
- Mark to market position of term transactions and assess and monitor counterparty credit risk exposures;
- Gas and power price movements, distribution, and volatilities, support front office energy procurement activities.

2. Conduct ROC, IROC meetings and activities

Prepare and present risk management reports to Risk Oversight Committee, upper management and member cities. Reporting package includes:

- Open position for the Pool and by individual member, on peak and off peak;
- Portfolio exposure to market price volatility (open position Cost Value at Risk);
- Mark to Market position of term contracts/transactions;
- Counterparty credit exposure, limits, and margin call status;
- Market analytics and update on gas & power price trends, distribution and volatilities;
- Compliance review and exception (if any) reports.

3. Monitor economy and energy market development

- Research and analyze macro and sector market events and development, including global and geopolitical events and development;
- analyze trends and driving factors of the energy commodity market movements;

4. Update policy/procedures and ensure compliance

- a. Develop, update, and implement energy risk management policies, procedures, and communications;
- b. Ensure compliance - provide independent oversight on wholesale energy operations, review deals and RFPs, ensure compliance with NCPA adopted policy & procedures and report on exceptions.

Included in this function are the following additional cost components:

Attend one industry conference/seminar on the subject per year

Response:

Overall Portfolio monitoring, meetings, etc. are included in this activity as described above. This activity benefits the entire organization and it is not feasible to allocate the activity to specific members. The oversight committee is made up of pool, MPP, non-pool and others who all have a vested interest in overseeing the risks involved in a energy business and to also monitor the financial stability of partners in power projects to insure ongoing financial viability of all participants. One could argue that all of this activity is administrative in nature and should all be part of the Agency's administrative and general activity. However, an alternative view would be that absent a power pool or power procurement activity this function would not be necessary. Therefore, because the bulk of the risk exposure comes from power purchases versus sales, staff would recommend a compromise of sorts: allocate 50% to regular NCPA A & G expenses and 50% to the power pool. This assumes that a portion of the Energy Risk Manager's time is allocated to those entities that NCPA purchases power on a term basis directly, i.e. the MPP and BART. If direct allocations to these beneficiaries are not done, a methodology for allocation should be developed that fairly provides for these services.

Response to Data Request from Section 6 – Question 1

See response above in Section 5 regarding suggested allocation methodology.

Response to Data Request from Section 6 – Question 2

While the Risk Management - Counterparty Credit Risk Management program does support Resources via monitoring counterparties and only selling to creditworthy counterparties, the amounts sold to a counterparty are not directly traceable to an individual resource due to the economic stacking utilized in the scheduling process. Staff is not able to accurately recommend an allocation factor among the various resources and recommends an alternative as indicated above.

Resource Name	CAISO Resource ID	Predispatch/Scheduling Services	CAISO Scheduling Services	Dispatched by NCPA ²	CAISO Settlement	NCPA Settlement	Outage Coordination	Tagging	Contract Administration ³	Forecasting	Resource Planning	Fac Admin	Ind Restr	Preschedule
ALAMEDA GT UNIT 1	ALMEGT_1_UNIT 1	X	X	X	X	X	X	--	X	X	X	X	X	X
ALAMEDA GT UNIT 2	ALMEGT_1_UNIT 2	X	X	X	X	X	X	--	X	X	X	X	X	X
BAY ENVIRONMENTAL (NOVE POWER)	RICHMN_7_BAYENV	X	X	X	X	X	X	--	X	X	X	--	X	X
BLACK BUTTE HYDRO	BLCKBT_2_STONEY	X	X	X	X	X	--	--	--	--	--	--	--	X
COLLIERVILLE HYDRO UNIT 1 @ AGGREGATE	COLVIL_7_PL1X2	X	X	X	X	X	X	--	X	X	X	X	X	X
CONTAINER CORP. OF AMERICA	CONTAN_1_UNIT	--	X	--	X	X	--	--	--	--	--	--	--	X
COOPERATIVELY OWNED BACK UP GENERATOR	PALALT_7_COBUG	X	X	X	X	X	X	--	X	X	X	--	X	X
DON VON RAESFELD POWER PROJECT	DUANE_1_PL1X3	X	X	X	X	X	--	--	--	--	--	--	--	X
GIANERA PEAKER UNIT 1	CSCGNR_1_UNIT 1	X	X	X	X	X	--	--	--	--	--	--	--	X
GIANERA PEAKER UNIT 2	CSCGNR_1_UNIT 2	X	X	X	X	X	--	--	--	--	--	--	--	X
KELLER CANYON LANDFILL GEN FACILITY	KIRKER_7_KELCYN	X	X	X	X	X	X	--	X	X	X	--	X	X
LODI GAS TURBINE	LODI25_2_UNIT 1	X	X	X	X	X	X	--	X	X	X	X	X	X
LODI STIG UNIT	STIGCT_2_LODI	X	X	X	X	X	X	--	X	X	X	X	X	X
NCPA GEO PLANT 1 UNIT 1	NCPA_7_GP1UN1	X	X	X	X	X	X	--	X	X	X	X	X	X
NCPA GEO PLANT 1 UNIT 2	NCPA_7_GP1UN2	X	X	X	X	X	X	--	X	X	X	X	X	X
NCPA GEO PLANT 2 UNIT 3	NCPA_7_GP2UN3	X	X	X	X	X	X	--	X	X	X	X	X	X
NCPA GEO PLANT 2 UNIT 4	NCPA_7_GP2UN4	X	X	X	X	X	X	--	X	X	X	X	X	X
OX MOUNTAIN LANDFILL GENERATING PLANT	OXMTN_6_LNDFIL	X	X	X	X	X	X	--	X	X	X	--	X	X
ROSEVILLE GT UNIT 1	N/A	--	--	--	--	X	--	--	--	--	--	--	--	X
ROSEVILLE GT UNIT 2	N/A	--	--	--	--	X	--	--	--	--	--	--	--	X
SANTA CLARA CO-GEN	CSCCOG_1_UNIT 1	--	X	X	X	X	--	--	--	--	--	--	--	X
SANTA CRUZ LANDFILL GENERATING PLANT	GRNVLY_7_SCLAND	X	X	X	X	X	X	--	X	X	X	--	X	X
SPICER HYDRO UNITS 1-3 AGGREGATE	SPICER_1_UNITS	X	X	X	X	X	X	--	X	X	X	X	X	X
STONEY GORGE HYDRO AGGREGATE	ELKCRK_6_STONYG	--	X	X	X	X	--	--	--	--	--	--	--	X
UKIAH LAKE MENDOCINO HYDRO	UKIAH_7_LAKEMN	X	X	X	X	X	X	--	X	X	X	--	X	X
SCL EXCHANGE CONTRACT	N/A	X	X	--	X	X	--	X	X	X	X	--	X	X
WESTERN BASE RESOURCE	N/A	X	X	--	X	X	--	X	--	X	X	--	--	X
MEMBER & NCPA BILATERAL CONTRACTS ¹	N/A	X	X	--	X	X	--	X	X	X	X	--	--	X
BART CONTRACTS	N/A	X	--	--	--	X	--	--	--	X	X	--	--	X

Foot Note 1: Member and NCPA Bilateral Contracts require various levels of management.

- Import and Export Contracts require tagging that is performed by NCPA as Scheduling Coordinator
- Contracts, such as the High Winds Contract, require scheduling adjustments after prescheduling activities based on contract provisions
- Some Import and Export contracts are dispatched through ADS, which NCPA manages.
- Contracts can be delivered via Aggregated Pricing Node IST, Generator Specific IST or other
- Some Member contracts are managed by NCPA and some Member contracts are not managed by NCPA

Foot Note 2: Dispatched by NCPA is limited to those resources which NCPA operates directly via the Real-Time dispatch center.

- All CAISO scheduled units may be dispatch by CAISO via ADS communication, which NCPA manages and provides unit specific orders to operators
- Under certain circumstances, the direct operational control of the DUANE_1_PL1X3 unit is transferred to NCPA
- If this is intended to represent which resources receive and respond to dispatch instructions from CAISO, which are managed by NCPA, the number of units would increase

Foot Note 3: Contract Administration is limited to contracts between NCPA and the resource; does not include contracts between NCPA and Member

- For example, the landfill units are contracted directly by the Members, but NCPA schedules these facility under an agreement with the Members; therefore marked as -- rather than >

<u>Resource Name</u>	<u>CAISO Resource ID</u>	Real Time Dispatch - Pmax	Forecasting - Pmax	Resource Planning - Pmax	Fac Admin - Nameplate	Contract Administration - Nameplate	Industry Restructuring - Pmax
ALAMEDA GT UNIT 1	ALMEGT_1_UNIT 1	23.8	23.8	23.8	24.8	24.8	23.8
ALAMEDA GT UNIT 2	ALMEGT_1_UNIT 2	25.4	25.4	25.4	24.8	24.8	25.4
BAY ENVIRONMENTAL (NOVE POWER)	RICHMN_7_BAYENV	2.5	2.5	2.5	--	2.5	2.5
BLACK BUTTE HYDRO	BLCKBT_2_STONEY	6.2	--	--	--	--	--
COLLIERVILLE HYDRO UNIT 1 @ AGGREGATE	COLVIL_7_PL1X2	246.86	246.86	246.86	258.7	258.7	246.86
CONTAINER CORP. OF AMERICA	CONTAN_1_UNIT	--	--	--	--	--	--
COOPERATIVELY OWNED BACK UP GENERATOR	PALALT_7_COBUG	4.5	4.5	4.5	--	4.5	4.5
DON VON RAESFELD POWER PROJECT	DUANE_1_PL1X3	147.8	--	--	--	--	--
GIANERA PEAKER UNIT 1	CSCGNR_1_UNIT 1	24.75	--	--	--	--	--
GIANERA PEAKER UNIT 2	CSCGNR_1_UNIT 2	24.75	--	--	--	--	--
KELLER CANYON LANDFILL GEN FACILITY	KIRKER_7_KELCYN	3.56	3.56	3.56	--	3.56	3.56
LODI GAS TURBINE	LODI25_2_UNIT 1	25.3	25.3	25.3	24.8	24.8	24.8
LODI STIG UNIT	STIGCT_2_LODI	49.9	49.9	49.9	49.9	49.9	49.9
NCPA GEO PLANT 1 UNIT 1	NCPA_7_GP1UN1	38.85	38.85	38.85	55	55	38.85
NCPA GEO PLANT 1 UNIT 2	NCPA_7_GP1UN2	34	34	34	55	55	34
NCPA GEO PLANT 2 UNIT 3	NCPA_7_GP2UN3	42.42	42.42	42.42	55	55	42.42
NCPA GEO PLANT 2 UNIT 4	NCPA_7_GP2UN4	46.03	46.03	46.03	55	55	46.03
OX MOUNTAIN LANDFILL GENERATING PLANT	OXMTN_6_LNDFIL	10.62	10.62	10.62	--	13.4	10.62
ROSEVILLE GT UNIT 1	N/A	--	--	--	--	--	--
ROSEVILLE GT UNIT 2	N/A	--	--	--	--	--	--
SANTA CLARA CO-GEN	CSCCOG_1_UNIT 1	7	--	--	--	--	--
SANTA CRUZ LANDFILL GENERATING PLANT	GRNVLY_7_SCLAND	3.04	3.04	3.04	--	--	3.04
SPICER HYDRO UNITS 1-3 AGGREGATE	SPICER_1_UNITS	6	6	6	6	6	6
STONEY GORGE HYDRO AGGREGATE	ELKCRK_6_STONYG	4.9	--	--	--	--	--
UKIAH LAKE MENDOCINO HYDRO	UKIAH_7_LAKEMN	3.5	3.5	3.5	--	3.5	--
SCL EXCHANGE CONTRACT	N/A	48	48	48	--	48	--
WESTERN BASE RESOURCE	N/A	--	203.22	203.22	--	--	--
MEMBER & NCPA BILATERAL CONTRACTS ¹	N/A	--	--	--	--	--	--
BART CONTRACTS	N/A	--	--	--	--	--	--

Refer to the spreadsheet “12142009 NCPA FY09 Contract Cost Allocations.xlsx” for a complete description of the contract and deal based allocation methodologies and calculations.

Step 2 Allocators

Schedule Coordination

Schedule calculations are from the spreadsheet “CY 2009 SC-RT Schedule Counts 121609.xls”.

All SC costs are allocated based on 100% Schedules. Where counted schedules are from the NCPA database using Appendix A3 of NCPA’s Power Schedule Guide. The NCPA Power Schedule Guide contains the detailed description of how, what and when to submit schedules from the NCPA Operating Entities to the NCPA Schedule Coordinator (NCPA SC). Appendix A3 identifies the following:

- Schedule Names utilized for scheduling
- When the schedules are submitted and processed
 - DA = Day Ahead
 - HA = Hour Ahead which includes CAISO Hour Ahead Scheduling Process (HASP) schedules, and Non-CAISO schedules during the active day but prior to the active hour.
 - RT = Real-Time which includes CAISO schedules processed after the close of HASP for CAISO schedules, and during the active hour for Non-CAISO schedules.
- CAISO Schedule – Identifies if the schedule is processed with the CAISO.

DA Schedules – Each type of DA schedule identified will receive a count of one irrespective of the number of hours scheduled for the given day.

HA Schedules – HA schedules receive a count of one whenever the HA schedule for a given hour is different from the DA schedule for the corresponding hour (HA change).

RT Schedules – Any RT schedule receives a count of one for each hour of the schedule (RT change).

Total Schedule Count – This is the sum of DA, HA, and RT schedules for each entity that is scheduled by NCPA SC.

Step 2 SC Allocator

<u>Total Schedules - SC Step 2</u>							
<u>1/1/2009 - 12/13/2009</u>	<u>Pool</u>	<u>SVP</u>	<u>RSVL</u>	<u>BART</u>	<u>TDPU</u>	<u>TID</u>	<u>Total</u>
DA	18,398	11,326	3,935	2,187	534	1,384	37,764
HA	13,047	15,592	850	-	21	402	29,912
RT	5,470	9,861	2,343	-	-	56	17,730
Total	36,915	36,779	7,128	2,187	555	1,842	85,406
% of Total	43.22%	43.06%	8.35%	2.56%	0.65%	2.16%	100.00%

Note: Data is from April 1 through December 13, 2009.

Real-Time Dispatch

Two of the Real-Time function allocators are:

- Active Day Inter-tie Schedules
- Scheduled Energy

Active Day Inter-tie Schedules

	<u>ISO Schedules - RT Step 2 (Limit counts to Active Day Inter-tie schedules)</u>						
<u>4/1 - 8/31/2009</u>	<u>Pool</u>	<u>SVP</u>	<u>RSVL</u>	<u>BART</u>	<u>TDPU</u>	<u>TID</u>	<u>Total</u>
HA	177	1,271					1,448
RT	78	752					830
Total	255	2,023					2,278
% of Total	11.19%	88.81%	0.00%	0.00%	0.00%	0.00%	100.00%

Scheduled Energy Allocator

Scheduled Energy is summed for each entity that is scheduled and/or dispatched by NCPA.

Step 2 RT Allocator –Scheduled Energy

	<u>Scheduled Energy (MWh) - RT Step 2</u>						
	<u>Pool</u>	<u>SVP</u>	<u>RSVL</u>	<u>BART</u>	<u>TDPUD</u>	<u>TID</u>	<u>Total</u>
1/1/2009-12/13/2009	2,455,272	3,025,537	125,007	364,907	-	53,765	6,024,489
% of Total	40.75%	50.22%	2.07%	6.06%	0.00%	0.89%	100.00%

Settlements- CAISO Data Validation

Total CAISO schedules are the sum of DA, HA, and RT CAISO schedules, identified in Appendix A3 of the NCPA Power Schedule Guide, for each entity that is scheduled by NCPA SC with the CAISO.

Step 2 Settlements Allocator – CAISO Data Validation - CAISO Schedules

	<u>NCPA Pool</u>	<u>SVP</u>	<u>Roseville</u>	<u>TID</u>	<u>TDPUD</u>	<u>BART</u>	<u>Total</u>
No. of CAISO Schedules	11,844	10,546	1,965	1,024	0	937	26,316
% of Total Schedules	45.01%	40.07%	7.47%	3.89%	0.00%	3.56%	100.00%

Note: Data is from April 1 through August 31, 2009. This coincides with the start of MRTU to reflect changes in scheduling processes.

**TRANSMISSION OWNER RATE CASE
PROGRAM AGREEMENT**

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This TRANSMISSION RATE CASE PROGRAM AGREEMENT ("the Agreement") is made effective as of _____ by and among the Northern California Power Agency, a joint powers agency of the State of California ("NCPA") and those of its Members who execute this Agreement ("Participants"). NCPA and the Participants are referred to herein individually as a "Party" and collectively as the "Parties".

RECITALS

A. NCPA has heretofore been duly established as a public agency pursuant to the Joint Exercise of Powers Act of the Government Code of the State of California and, among other things, is authorized to acquire, construct, finance, and operate buildings, works, facilities and improvements for the generation and transmission of electric capacity and energy for resale.

B. Each of the Participants is a signatory to the Joint Powers Agreement which created NCPA and therefore is a Member.

C. Each of the Participants to this Agreement have executed the Power Management and Administrative Services Agreement, dated October 1, 2014, which establishes the framework under which Members who are signatory to the Power Management and Administrative Services Agreement may enter into one or more Service Agreements with NCPA.

D. Pursuant to the Power Management and Administrative Services Agreement, from time to time special conditions or requirements for services may be requested from NCPA by Members under which no existing Services Agreement is available to satisfy such needs, and at the sole discretion of the Commission, certain "one-off" agreements maybe developed between NCPA and a Member, or group of Members, to enable NCPA to provide such special services.

E. The Participants have requested NCPA to establish facilities, staff and the capability to act on behalf of the Participants to engage in certain activities, either directly, indirectly, or in conjunction with legal counsel and subject matter experts, pertaining to proceedings that effect the CAISO transmission costs, or other transmission costs as may be applicable, to protect the Participants' transmission assets and to strive to limit the Participants' exposure to increasing transmission costs when transacting in the CAISO markets, other markets, or as otherwise may be applicable.

F. In response to the Participants' desire for NCPA to engage in the activities further described in this Agreement, NCPA has established the facilities, staff and the capability for the provision of Services to the Participants in accordance with this Agreement.

G. Each Participant agrees to pay its equitable share of costs associated with NCPA's provision of Services, in accordance with the Power Management and Administrative Services Agreement and this Agreement.

H. The Participants further desire, insofar as possible, to insulate other Members, whether or not such Members are also Participants, from risks inherent in the services and transactions undertaken on behalf of any given Member or group of Members.

I. Upon full execution of this Agreement, this Agreement shall be deemed a Special Conditions Services Agreement under the Power Management and Administrative Services Agreement by the Commission.

J. Each of the Parties intends to observe the provisions of this Agreement in good faith and shall cooperate with all other Parties in order to achieve the full benefits of joint action.

NOW, THEREFORE, the Parties agree as follows:

Section 1. Definitions.

1.1 Definitions. Whenever used in this Agreement (including the Recitals hereto), the following terms shall have the following respective meanings, provided, capitalized terms used in this Agreement (including the Recitals hereto) that are not defined in Section 1 of this Agreement shall have the meaning indicated in Section 1 of the Power Management and Administrative Services Agreement:

1.1.1 “Administrative Services Costs” means that portion of the NCPA administrative, general and occupancy costs and expenses, including those costs and expenses associated with the operations, direction and supervision of the general affairs and activities of NCPA, general management, treasury operations, accounting, budgeting, payroll, human resources, information technology, facilities management, salaries and wages (including retirement benefits) of employees, facility operation and maintenance costs, taxes and payments in lieu of taxes (if any), insurance premiums, fees for legal, engineering, financial and other services, power management services, general settlement and billing and general risk management costs, that are charged directly or apportioned to the provision of Services pursuant to this Agreement. Administrative Services Costs as separately defined herein and used in the context of this Agreement is different and distinct from the term Administrative Services Costs as defined in Section 1 of the Power Management and Administrative Services Agreement.

1.1.2 “Agreement” means this Transmission Rate Case Program Agreement, including all Exhibits attached hereto.

1.1.3 “All Resources Bill” means the single, combined monthly bill from NCPA to a Participant with respect to all NCPA services, programs and NCPA Projects.

1.1.4 “Defaulting Participant” has the meaning set forth in Section 9.2 of this Agreement.

1.1.5 “Effective Date” has the meaning set forth in Section 4.1 of this Agreement.

1.1.6 “Event of Default” has the meaning set forth in Section 9.2 of this Agreement.

1.1.7 “NCPA” has the meaning set forth in the recitals hereto.

1.1.8 “Participant” has the meaning set forth in the recitals of this Agreement. Participants to this Agreement are listed in Exhibit A of this Agreement.

1.1.9 “Party” or “Parties” has the meaning set forth in the recitals hereto; provided that “Third Parties” are entities that are not part to this Agreement.

1.1.10 “Power Management and Administrative Services Agreement” means the NCPA Power Management and Administrative Services Agreement, dated as of October 1, 2014 between NCPA and the Members who are signatories to that agreement by which NCPA provides Power Management and Administrative Services.

1.1.11 “Program Participation Percentage” means the Participant Program Participation Percentages set forth in Exhibit A of this Agreement.

1.1.12 “Services” has the meaning set forth in Section 2.1 of this Agreement.

1.1.13 “Term” has the meaning set forth in Section 4.1 of this Agreement.

1.1.14 “Transmission Owner” or “TO” has the meaning set forth in the CAISO Tariff.

1.2 Rules of Interpretation. All words and references as used in this Agreement (including the Recitals hereto), unless in any such case the context requires

otherwise, shall be interpreted pursuant to Section 1.2 of the Power Management and Administrative Services Agreement.

Section 2. Services to be Provided, Duties and Standards of Performance.

2.1 Services. The purpose of this Agreement is to set forth the terms and conditions under which NCPA, acting on behalf of the Participants, may engage in certain activities, either directly, indirectly, or in conjunction with legal counsel and subject matter experts, pertaining to proceedings that effect CAISO transmission costs, or other transmission costs as may be applicable, to protect the Participants' transmission assets and to strive to limit the Participants' exposure to increasing transmission costs when transacting in the CAISO markets, other markets, or as otherwise may be applicable (the "Services"). Participants shall only be responsible to pay for Services performed and costs incurred subsequent to the effective date of this Agreement. Services provided in accordance with this Agreement generally include the following:

2.1.1 Representing the interests of the Participants by monitoring, analyzing, and participating in TO rate cases before FERC and any related judicial appeals, where this applies to TO rate cases and new related transmission activity matters that are filed;

2.1.2 Engaging in other related filings and industry developments that affect the cost or provision of transmission service under TO rate cases; and

2.1.3 Engaging in other transmission cost related activities as may be approved by the Participants.

2.2 Qualified Subject Matter Experts. NCPA's provision of Services under this Agreement may be supported by legal services and other specialized services relevant to NCPA's participation in proceedings that are performed by qualified subject matter experts and/or witnesses. All costs incurred by NCPA associated with the

acquisition of legal services support, or qualified subject matter experts support, associated with the Services Agreement shall be considered a Services cost pursuant to this Agreement.

2.3 Coordination with Third Parties. As part of NCPA's duties under this Agreement, NCPA shall strive to work collaboratively with other Third Party intervenors and relevant parties, and where practicable, build alliances and find common interest in promoting the Participants' interest consistent with the goals and objectives established pursuant to Section 2.8 of this Agreement. Such efforts include building coalitions, where strategically and economically viable, to support the alignment with other intervenors or to form "joint intervenor" perspectives for engaging in activities related to the Services provided hereunder. This joint effort may include coordinating and sharing responsibilities on areas of common interest to ensure the most efficient advancement of the Participants' interest, and to reduce redundancy in the Services provided by NCPA.

2.4 Participant Duties. The duties of the Participants under this Agreement are to:

2.4.1 Timely provide information to NCPA that is required for NCPA to perform Services.

2.4.2 Make timely payments to NCPA for Services invoiced by NCPA to Participants in accordance with Section 7 of this Agreement.

2.4.3 Provide staff and other assistance, as may be required from time to time, to the extent necessary for NCPA to fulfill its duties under this Agreement.

2.5 NCPA Duties. NCPA's General Manager, or his or her designee, shall establish and maintain the facilities, staff and the capability to act on behalf of the

Participants and provide Services to the Participants in accordance with this Agreement.

2.6 Standard of Performance. NCPA will perform Services using the level of skill and attention reasonably required to complete the Services in a competent and timely manner.

2.7 Assignment of Personnel. NCPA shall assign only competent personnel to perform Services pursuant to this Agreement.

2.8 Time. NCPA shall devote such time to the performance of Services pursuant to this Agreement as may be reasonably necessary to meet the standards of performance provided in Section 2.6, and to satisfy NCPA's obligations hereunder.

2.9 Consultation with Participants. The General Manager shall consult with the Participants from time to time, as needed, to advise him or her on a particular matter relevant to this Agreement. Each year, the General Manager shall propose to the Participants, as part of the Annual Budget process, specific goals and objectives for NCPA staff as such relate to this Agreement. NCPA shall provide periodic reports to the Participants regarding progress toward meeting the proposed goals and objectives. The periodic reports may include the following information:

- (a) Overview of relevant proceedings and known schedules;
- (b) Assessment of the financial impact to the Participants, to the extent practicable;
- (c) Scope of NCPA's potential engagement in each TO rate case;
- (d) Identification of potential legal actions that the Participants should consider and the likelihood of success (by argument if practicable);
- (e) Estimates of potential benefits and costs associated with engagement, to the extent practicable; and

- (f) Summary of NCPA and Third Party issues and levels of participation.

Section 3. Administration of Agreement.

3.1 Commission. The Commission is responsible for the administration of this Agreement. Each Member shall be represented by its Commissioner or their designated alternate Commissioner (“Alternate”) pursuant to the Joint Powers Agreement. Each Commissioner shall have authority to act for the Participant under this Section 3 with respect to matters pertaining to this Agreement.

3.2 Duties and Authorities. In addition to the administration of this Agreement, the duties and authorities of the Commission are as specified in the Joint Powers Agreement and the NCPA Commission Bylaws.

3.3 Forum. Whenever any action anticipated by this Agreement is required to be jointly taken by the Participants, such action shall be taken at regular or special meetings of the NCPA Commission; provided, however, activities associated with NCPA’s provision of Services and normal day-to-day engagement as described in Section 2.1 of this Agreement, are hereby delegated to the General Manager of NCPA, or his or her designee, and are not considered to be matters related to the Commission’s general administration of this Agreement, and therefore are not subject to the administrative procedures set forth in this Section 3.

3.4 Quorum. For purposes of acting upon matters that relate to the administration of this Agreement, a quorum of the Commission shall consist of those Commissioners, or their designated Alternates, representing a numerical majority of the Participants.

3.5 Voting. For acting upon matters that relate to the general administration of this Agreement, each Participant shall have the right to cast one (1) vote. Actions of

the Commission shall be effective only upon an affirmative vote of eighty percent (80%) or more of the Participants.

3.6 Adoption and Amendment of Annual Budget. Annually, the Commission shall adopt an Annual Budget, which includes, but is not limited to, all costs attributed to Services, for at least the next succeeding Fiscal Year in accordance with the NCPA Joint Powers Agreement and this Agreement. Provided, however, that the Commission may in its discretion adopt a two-year budget if permitted to do so by the NCPA Commission Bylaws or the Joint Powers Agreement.

3.7 Facilities Committee. The Facilities Committee has been established pursuant to the Amended and Restated Facilities Agreement to act as an advisory committee to the Commission. The Commission or General Manager may refer matters pertaining to the administration of this Agreement to the Facilities Committee for review and recommendation, including, but not limited to, proposed amendments to this Agreement. If the Commission or General Manager refers matters pertaining to the administration of this Agreement to the Facilities Committee, NCPA will provide a copy of the public notice of the Facilities Committee meeting at which the matter will be discussed to the Participants. The Facilities Committee may act upon such matters referred to it by the Commission in accordance with the procedures, including the general administration quorum and voting procedures, set forth in the Amended and Restated Facilities Agreement. Any recommendation of the Facilities Committee shall be made to the Commission and others, as appropriate, in coordination with the General Manager.

Section 4. Term and Termination.

4.1 Effective Date. This Agreement shall become effective on the first day of the month after which it has been duly executed by all Participants, and delivered to

and executed by NCPA (the “Effective Date”). NCPA shall notify all Participants in writing of the Effective Date.

4.2 Term and Termination. The term (“Term”) Agreement shall continue in full effect until terminated by consent of all Parties.

Section 5. Admission and Withdrawal of Participants.

5.1 Admission of a New Participant. Subsequent to the initial Effective Date, a Member may become a Participant by executing this Agreement. Such Member will become a Participant effective on the date of its delivery to NCPA of an executed counterpart of this Agreement.

5.2 Withdrawal of Participants. Any Participant may withdraw from this Agreement (“**Withdrawing Participant**”) by submitting notice, in writing to all Parties at least two (2) years in advance of the effective date of such withdrawal, provided that such withdrawal shall only be effective on the last day of a Fiscal Year and that the Withdrawing Participant has fully satisfied all obligations it has incurred under this Agreement. The two (2) year duration of the notice requirement may be waived or reduced by the Commission in its sole discretion. Withdrawal by any Participant shall not terminate this Agreement as to the remaining Participants.

5.3 No Effect on Prior Liabilities. Withdrawal by any Participant will not terminate any ongoing or un-discharged liabilities, credits or obligations, including any contingent liabilities, credits or obligations, resulting from this Agreement until they are satisfied in full, or such Withdrawing Participant has provided a mechanism acceptable to NCPA, for the satisfaction in full thereof.

5.4 A Withdrawing Participant shall not be obligated to compensate the remaining Participants for loss of any benefits that would have accrued to the remaining Participants if the Withdrawing Participant had continued its participation. Nor shall the remaining Participants be obligated to compensate the Withdrawing

Participant for any benefits that accrue to the remaining Participants because of the withdrawal. Reallocation of the costs and benefits of continuing under this Agreement after a Participant has withdrawn shall not give rise to any claim against a Withdrawing Participant by the remaining Parties. Nor shall any of the remaining Parties be obligated to compensate the Withdrawing Participant for any benefits that accrue to the remaining Parties because of such a reallocation of costs and benefits.

5.5 Associated Costs. A Withdrawing Participant shall reimburse NCPA for any and all costs resulting from the withdrawal, including but not limited to the legal, accounting, and administrative costs of winding up and assuring the complete satisfaction and discharge of the Withdrawing Participant's liabilities, credits or obligations, including any contingent liabilities, credits or obligations.

Section 6. Cost of Services.

6.1 Cost Allocation. All costs associated with NCPA's provision of Services to the Participants, including, but not limited to, Administrative Services Costs and costs associated with NCPA's acquisition of legal services and qualified subject matter experts services, shall be allocated among the Participants in accordance with this Agreement and the Power Management and Administrative Services Agreement. Costs allocated among the Participants in accordance with this Agreement shall be allocated to each Participant in proportion to such Participant's Program Participation Percentage as set forth in Exhibit A of this Agreement.

6.2 Program Participation Percentages. The Program Participation Percentages as set forth in Exhibit A of this Agreement may be amended from time to time, including to account for the addition or withdrawal of a Participant as set forth in Section 5 of this Agreement, by the Commission in accordance with the voting procedures set for in Section 3 of this Agreement.

Section 7. Billing and Payments.

7.1 Invoices. NCPA will issue an invoice to each Participant for its share of costs associated with Services, and all other costs for services provided in accordance with this Agreement. Such invoice may be either the All Resources Bill or separate special invoice, as determined by NCPA. Such invoices will be made pursuant to the requirements and procedures provided for in this Agreement and all other applicable agreements. At NCPA's discretion, invoices may be issued to Participants using electronic media or physical distribution.

7.2 Payment of Invoices. All invoices delivered by NCPA (including the All Resources Bill) are due and payable thirty (30) Calendar Days after the date thereof; provided, however, that any amount due on a day other than a Business Day may be paid on the following Business Day.

7.3 Late Payments. Any amount due and not paid by a Participant in accordance with Section 9.2 shall be considered late and bear interest computed on a daily basis until paid at the lesser of (i) the per annum prime rate (or reference rate) of the Bank of America NT&SA then in effect, plus two percent (2%) or (ii) the maximum rate permitted by law.

7.4 Billing Disputes. A Participant may dispute the accuracy of any invoice issued by NCPA under this Agreement by submitting a written dispute to NCPA, within thirty (30) Calendar Days of the date of such invoice; nonetheless the Participant shall pay the full amount billed when due. If a Participant does not timely question or dispute the accuracy of any invoice in writing the invoice shall be deemed to be correct. Upon review of a submitted dispute, if an invoice is determined by NCPA to be incorrect, NCPA shall issue a corrected invoice and refund any amounts that may be due to the Participant. If NCPA and the Participant fail to agree on the accuracy of an invoice within thirty (30) Calendar Days after the Participant has disputed it, the General Manager shall promptly submit the dispute to the Commission for resolution.

If the Commission and the Participant fail to agree on the accuracy of a disputed invoice within sixty (60) Calendar Days of its submission to the Commission, the dispute may then be resolved under the mediation and arbitration procedures set forth in Section 10 of this Agreement. Provided, however, that prior to resort to either mediation or arbitration proceedings, the full amount of the disputed invoice must have been paid.

7.5 Billing/Settlement Data and Examination of Books and Records.

7.5.1 Settlement Data. NCPA shall make billing and settlement data available to the Participants in the All Resources Bill, or other invoice, or upon request. NCPA may also, at its sole discretion, make billing and settlement support information available to Participants using electronic media (e.g. electronic data portal). Procedures and formats for the provision of such electronic data submission may be as established by the NCPA Commission from time to time. Without limiting the generality of the foregoing, NCPA may, in its reasonable discretion, require the Participants to execute a non-disclosure agreement prior to providing access to the NCPA electronic data portal.

7.5.2 Examination of Books and Records. Any Participant to this Agreement shall have the right to examine the books and records created and maintained by NCPA pursuant to this Agreement at any reasonable, mutually agreed upon time.

Section 8. Cooperation and Further Assurances.

8.1 Each of the Parties agree to provide such information, execute and deliver any instruments and documents and to take such other actions as may be necessary or reasonably requested by any other Party which are consistent with the provisions of this Agreement and which do not involve the assumption of obligations other than those provided for in this Agreement, in order to give full effect to this Agreement and to carry out the intent of this Agreement.

Section 9. Participant Covenants and Defaults.

9.1 Each Participant covenants and agrees: (i) to make payments to NCPA, from its Electric System Revenues, of its obligations under this Agreement as an operating expense of its Electric System; (ii) to fix the rates and charges for services provided by its Electric System, so that it will at all times have sufficient Revenues to meet the obligations of this Agreement, including the payment obligations; (iii) to make all such payments due NCPA under this Agreement whether or not there is an interruption in, interference with, or reduction or suspension of services provided under this Agreement, such payments not being subject to any reduction, whether by offset or otherwise, and regardless of whether any dispute exists; and (iv) to operate its Electric System, and the business in connection therewith, in accordance with Good Utility Practice.

9.2 Events of Default. An Event of Default under this Agreement shall exist upon the occurrence of any one or more of the following by a Participant (the "Defaulting Participant"):

(i) the failure of any Participant to make any payment in full to NCPA when due, where such failure is not cured within thirty (30) Calendar Days following receipt of a notice from NCPA demanding cure;

(ii) the failure of a Participant to perform any covenant or obligation of this Agreement where such failure is not cured within thirty (30) Calendar Days following receipt of a notice from NCPA demanding cure. Provided, that this subsection shall not apply to any failure to make payments specified by subsection 9.2 (i));

(iii) if any representation or warranty of a Participant material to the services provided hereunder shall prove to have been incorrect in any material respect when made and the Participant does not cure the facts underlying such incorrect

representation or warranty so that the representation or warranty becomes true and correct within thirty (30) Calendar Days of the date of receipt of notice from NCPA demanding cure; or

(iv) if a Participant is in default or in breach of any of its covenants under any other agreement with NCPA and such default or breach is not cured within the time periods specified in such agreement.

9.3 Uncontrollable Forces. A Party shall not be considered to be in default in respect of any obligation hereunder if prevented from fulfilling such obligation by reason of Uncontrollable Forces. Provided, that in order to be relieved of an Event of Default due to Uncontrollable Forces, a Party affected by an Uncontrollable Force shall:

(i) first provide initial notice to the General Manager using telephone communication within two (2) Business Days of the onset of the Uncontrollable Force, and second provide further written notice to the General Manager and all other Parties within ten (10) Business Days of the onset of the Uncontrollable Force, describing its nature and extent, the obligations which the Party is unable to fulfill, the anticipated duration of the Uncontrollable Force, and the actions which the Party will undertake so as to remove such disability and be able to fulfill its obligations hereunder; and

(ii) use due diligence to place itself in a position to fulfill its obligations hereunder and if unable to fulfill any obligation by reason of an Uncontrollable Force such Party shall exercise due diligence to remove such disability with reasonable dispatch. Provided, that nothing in this subsection shall require a Party to settle or compromise a labor dispute.

9.4 Cure of an Event of Default. An Event of Default shall be deemed cured only if such default shall be remedied or cured within the time periods specified in Section 9.2 above, as may be applicable, provided, however, upon request of the

Defaulting Participant the Commission may waive the default at its sole discretion, where such waiver shall not be unreasonably withheld.

9.5 Remedies in the Event of Uncured Default. Upon the occurrence of an Event of Default which is not cured within the time limits specified in Section 9.2, without limiting other rights or remedies available under this Agreement, at law or in equity, and without constituting or resulting in a waiver, release or estoppel of any right, action or cause of action NCPA may have against the Defaulting Participant, NCPA may, for so long as such Event of Default continues uncured, take any or all of the following actions:

(i) suspend the provision of services under this Agreement to such Defaulting Participant;

(ii) demand that the Defaulting Participant provide further assurances to guarantee the correction of the default, including the collection of a surcharge or increase in electric rates, or such other actions as may be necessary to produce necessary Revenues to correct the default;

(iii) terminate this Agreement as to the Defaulting Participant, on ten (10) Calendar Days prior written notice to the Defaulting Participant; or

(iv) enforce all other rights or remedies available to it under any other agreement in which the Defaulting Participant is a signatory.

9.6 Effect of Termination or Suspension.

9.6.1 Generally. The termination or suspension of this Agreement will not terminate, waive, or otherwise discharge any ongoing or undischarged liabilities, credits or obligations arising from this Agreement until such liabilities, credits or obligations are satisfied in full.

9.6.2 Suspension. If performance of all or any portion of this Agreement is suspended by NCPA with respect to a Participant in accordance with

subsection 9.5 (i), such Participant shall pay any and all costs incurred by NCPA as a result of such suspension including reasonable attorney fees, the fees and expenses of other experts, including auditors and accountants, or other reasonable and necessary costs associated with such suspension and any portion of the costs associated with NCPA's provision of Services, including Administrative Services Costs, that were not recovered from such Participant as a result of such suspension.

9.7 Termination. If this Agreement is terminated by NCPA with respect to a Participant in accordance with Section 9.5 (iii), such Participant shall pay any and all costs incurred by NCPA as a result of such termination, including reasonable attorney fees, the fees and expenses of other experts, including auditors and accountants, other reasonable and necessary costs associated with such termination and any portion of costs associated with NCPA's provision of Services that were not, or will not be, recovered from such Participant as a result of such termination; provided, however, if NCPA terminates this Agreement with respect to the last remaining Participant, then this Agreement shall terminate.

Section 10. Settlement of Disputes and Arbitration.

10.1 The Parties agree to make best efforts to settle all disputes among themselves connected with this Agreement as a matter of normal business under this Agreement. The procedures set forth in Section 10 of the Power Management and Administrative Services Agreement shall apply to all disputes that cannot be settled by the Participants themselves; provided, that the provisions of Section 7.4 shall first apply to all disputes involving invoices prepared by NCPA.

Section 11. Miscellaneous.

11.1 Confidentiality. The Parties will keep confidential all confidential or trade secret information made available to them in connection with this Agreement, to the extent possible, consistent with applicable laws, including the California Public Records

Act. Confidential or trade secret information shall be marked or expressly identified as such.

If a Party ("Receiving Party") receives a request from a Third Party for access to, or inspection, disclosure or copying of, any of the other Party's (the "Supplying Party") confidential data or information ("Disclosure Request"), then the Receiving Party shall provide notice and a copy of the Disclosure Request to the Supplying Party within three (3) Business Days of receipt of the Disclosure Request. Within three (3) Business Days of receipt of such notice, the Supplying Party shall provide notice to the Receiving Party either:

(i) that the Supplying Party believes there are reasonable legal grounds for denying or objecting to the Disclosure Request, and the Supplying Party requests the Receiving Party to deny or object to the Disclosure Request with respect to identified confidential information. In such case, the Receiving Party shall deny the Disclosure Request and the Supplying Party shall defend the denial of the Disclosure Request at its sole cost, and it shall indemnify the Receiving Party for all costs associated with denying or objecting to the Disclosure Request. Such indemnification by the Supplying Party of the Receiving Party shall include all of the Receiving Party's costs reasonably incurred with respect to denial of or objection to the Disclosure Request, including but not limited to costs, penalties, and the Receiving Party's attorney's fees; or

(ii) the Receiving Party may grant the Disclosure Request without any liability by the Receiving Party to the Supplying Party.

11.2 Indemnification and Hold Harmless. Subject to the provisions of Section 11.4, each Participant agrees to indemnify, defend and hold harmless NCPA and its Members, including their respective governing boards, officials, officers, agents, and employees, from and against any and all claims, suits, losses, costs, damages, expenses and liability of any kind or nature, including reasonable attorneys' fees and the costs of

litigation, including experts, to the extent caused by any acts, omissions, breach of contract, negligence (active or passive), gross negligence, recklessness, or willful misconduct of that Participant, its governing officials, officers, employees, subcontractors or agents, to the maximum extent permitted by law.

11.3 Several Liabilities. Except as otherwise provided herein, no Participant shall be liable under this Agreement for the obligations of any other Participant, each Participant shall be solely responsible and liable for performance of its obligations under this Agreement and the obligation of each Participant under this Agreement is a several obligation and not a joint obligation with those of the other Participants.

11.4 No Consequential Damages. FOR ANY BREACH OF ANY PROVISION OF THIS AGREEMENT FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED IN THIS AGREEMENT, THE LIABILITY OF THE DEFAULTING PARTY SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER DAMAGES OR REMEDIES ARE HEREBY WAIVED. IF NO REMEDY OR MEASURE OF DAMAGE IS EXPRESSLY PROVIDED, THE LIABILITY OF THE DEFAULTING PARTY SHALL BE LIMITED TO ACTUAL DAMAGES ONLY AND ALL OTHER DAMAGES AND REMEDIES ARE HEREBY WAIVED. IN NO EVENT SHALL NCPA OR ANY PARTICIPANT OR THEIR RESPECTIVE SUCCESSORS, ASSIGNS, REPRESENTATIVES, DIRECTORS, OFFICERS, AGENTS, OR EMPLOYEES BE LIABLE FOR ANY LOST PROFITS, CONSEQUENTIAL, SPECIAL, EXEMPLARY, INDIRECT, PUNITIVE OR INCIDENTAL LOSSES OR DAMAGES, INCLUDING LOSS OF USE, LOSS OF GOODWILL, LOST REVENUES, LOSS OF PROFIT OR LOSS OF CONTRACTS EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, AND NCPA AND EACH PARTICIPANT EACH HEREBY WAIVES SUCH CLAIMS AND RELEASES EACH OTHER AND EACH OF SUCH PERSONS FROM ANY SUCH LIABILITY.

11.5 The Parties acknowledge that California Civil Code section 1542 provides that: “A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.” The Parties waive the provisions of section 1542, or other similar provisions of law, and intend that the waiver and release provided by this Section of this Agreement shall be fully enforceable despite its reference to future or unknown claims.

11.6 Waiver. No waiver of the performance by a Party of any obligation under this Agreement with respect to any default or any other matter arising in connection with this Agreement shall be effective unless given by the Commission. Any such waiver by the Commission in any particular instance shall not be deemed a waiver with respect to any subsequent performance, default or matter.

11.7 Amendments. Amendments to the Program Participation Percentages as set forth in Exhibit A of this Agreement shall take effect after being approved by the Commission in a manner consistent with the voting procedures set forth in Section 3 of this Agreement, without the requirement of an approval of the individual Participants’ governing bodies. Except where this Agreement specifically provides otherwise, this Agreement may be amended only by written instrument executed by the Parties with the same formality as this Agreement.

11.8 Assignment of Agreement.

11.8.1 Binding Upon Successors. This Agreement shall inure to the benefit of and shall be binding upon the respective successors and assignees of the Parties to this Agreement.

11.8.2 No Assignment. This Agreement, nor any interest herein, shall be transferred or assigned by a Party hereto except with the consent in writing of the other Parties hereto, where such consent shall not be unreasonably withheld.

Without limiting the foregoing, this Agreement shall not be assigned by Plumas-Sierra Rural Electric Cooperative without the approval in writing of the Administrator of the Rural Electrification Administration Utilities Service.

11.9 Severability. In the event that any of the terms, covenants or conditions of this Agreement or the application of any such term, covenant or condition, shall be held invalid as to any person or circumstance by any court having jurisdiction, all other terms, covenants or conditions of this Agreement and their application shall not be affected thereby, but shall remain in force and effect unless the court holds that such provisions are not severable from all other provisions of this Agreement.

11.10 Governing Law. This Agreement shall be interpreted, governed by, and construed under the laws of the State of California.

11.11 Headings. All indices, titles, subject headings, section titles and similar items are provided for the purpose of convenience and are not intended to be inclusive, definitive, or affect the meaning of the contents of this Agreement or the scope thereof.

11.12 Notices. Any notice, demand or request required or authorized by this Agreement to be given to any Party shall be in writing, and shall either be personally delivered to a Participant's Commissioner or Alternate, and to the General Manager, or shall be transmitted to the Participant and the General Manager at the addresses shown on the signature pages hereof. The designation of such addresses may be changed at any time by written notice given to the General Manager who shall thereupon give written notice of such change to each Participant. All such notices shall be deemed delivered when personally delivered, two (2) Business Days after deposit in the United States mail first class postage prepaid, or on the first Business Day following delivery through electronic communication.

11.13 Warranty of Authority. Each Party represents and warrants that it has been duly authorized by all requisite approval and action to execute and deliver this

Agreement and that this Agreement is a binding, legal, and valid agreement enforceable in accordance with its terms.

11.14 Counterparts. This Agreement may be executed in any number of counterparts, and each executed counterpart shall have the same force and effect as an original instrument and as if all the signatories to all of the counterparts had signed the same instrument. Any signature page of this Agreement may be detached from any counterpart of this Agreement without impairing the legal effect of any signatures thereon, and may be attached to another counterpart of this Agreement identical in form hereto but having attached to it one or more signature pages.

11.15 Venue. In the event that a Party brings any action 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.

11.16 Attorneys' Fees. If a Party to this Agreement brings any action, including an action for declaratory relief, to enforce or interpret the provisions of this Agreement, each Party shall bear its own fees and costs, including attorneys' fees, associated with the action.

11.17 Counsel Representation. Pursuant to the provisions of California Civil Code Section 1717 (a), each of the Parties were represented by counsel in the negotiation and execution of this Agreement and no one Party is the author of this Agreement or any of its subparts. Those terms of this Agreement which dictate the responsibility for bearing any attorney's fees incurred in arbitration, litigation or settlement in a manner inconsistent with the provisions of Section 11.2 were intentionally so drafted by the Parties, and any ambiguities in this Agreement shall not be interpreted for or against a Party by reason of that Party being the author of the provision.

11.18 No Third Party Beneficiaries. Nothing contained in this Agreement is intended by the Parties, nor shall any provision of this Agreement be deemed or construed by the Parties, by any third person or any Third Parties, to be for the benefit of any Third Party, nor shall any Third Party have any right to enforce any provision of this Agreement or be entitled to damages for any breach by the Parties of any of the provisions of this Agreement.

IN WITNESS WHEREOF, NCPA and each Participant have, by the signature of its duly authorized representative shown below, executed and delivered a counterpart of this Agreement.

NORTHERN CALIFORNIA
POWER AGENCY
651 Commerce Drive
Roseville, CA 95678

CITY OF ALAMEDA
2000 Grand Street
P.O. Box H
Alameda, CA 94501

By: _____
Title: _____
Date: _____

By: _____
Title: _____
Date: _____

Approved as to form:

Approved as to form:

By: _____
Its: _____
Date: _____

By: _____
Its: _____
Date: _____

CITY OF BIGGS
465 "C" Street
Biggs, CA 95917

CITY OF GRIDLEY
685 Kentucky Street
Gridley, CA 95948

By: _____

Title: _____

Date: _____

Approved as to form:

By: _____

Its: _____

Date: _____

By: _____

Title: _____

Date: _____

Approved as to form:

By: _____

Its: _____

Date: _____

CITY OF HEALDSBURG
401 Grove Street
Healdsburg, CA 95448

CITY OF LODI
221 W. Pine Street
Lodi, CA 95240

By: _____

Title: _____

Date: _____

By: _____

Title: _____

Date: _____

Approved as to form:

Approved as to form:

By: _____

Its: _____

Date: _____

By: _____

Its: _____

Date: _____

CITY OF LOMPOC
100 Civic Center Plaza
Lompoc, CA 93436

CITY OF OAKLAND, acting
by and through its
Board of Port Commissioners
530 Water Street
Oakland, CA 94607

By: _____

Title: _____

Date: _____

By: _____

Title: _____

Date: _____

Approved as to form:

Approved as to form:

By: _____

Its: _____

Date: _____

By: _____

Its: _____

Date: _____

CITY OF PALO ALTO
250 Hamilton Avenue
Palo Alto, CA 94301

PLUMAS-SIERRA RURAL
ELECTRIC COOPERATIVE
73233 Highway 70
Portola, CA 96122

By: _____
Title: _____
Date: _____

By: _____
Title: _____
Date: _____

Approved as to form:

Approved as to form:

By: _____
Its: _____
Date: _____

By: _____
Its: _____
Date: _____

CITY OF SANTA CLARA
1500 Warburton Avenue
Santa Clara, CA 95050

SAN FRANCISCO BAY AREA RAPID
TRANSIT DISTRICT (BART)
300 Lakeside Drive, 16th Floor
Oakland, CA 94612

By: _____
Title: _____
Date: _____

By: _____
Title: _____
Date: _____

Approved as to form:

Approved as to form:

By: _____
Its: _____
Date: _____

By: _____
Its: _____
Date: _____

CITY OF UKIAH
300 Seminary Avenue
Ukiah, CA 95482

By: _____

Title: _____

Date: _____

Approved as to form:

By: _____

Its: _____

Date: _____

EXHIBIT A
LIST OF PARTICIPANTS AND PROGRAM PARTICIPATION PERCENTAGES

The following is a list of the Participants who are signatory to this Agreement, and each Participant's respective Program Participation Percentage:

Participants	Program Participant Percentages
City of Alameda	4.75%
BART	5.01%
City of Biggs	0.20%
City of Gridley	0.45%
City of Healdsburg	0.98%
City of Lodi	6.28%
City of Lompoc	1.86%
City of Palo Alto	11.64%
Plumas Sierra REC	2.14%
Port of Oakland	1.62%
City of Santa Clara	63.55%
City of Ukiah	1.51%
Total	100.00%

Note: The Program Participation Percentages listed in this Exhibit A are consistent with each Participant's project participation percentage listed in Table A of Commission Resolution 23.122. The Program Participant Percentages listed in the Exhibit A can be amended by the Commission from time to time, pursuant to the voting procedures set forth in Section 3 of this Agreement.



Commission Staff Report – *DRAFT*

COMMISSION MEETING DATE: February 22, 2024

SUBJECT: Lake Alpine Handrails and Walkway Replacement Project; Applicable to the following: Northern California Power Agency (NCPA) Hydroelectric Project

AGENDA CATEGORY: Discussion/Action

FROM:	Michael DeBortoli	METHOD OF SELECTION:
	Assistant General Manager	<i>Competitive Pricing Process</i>
Division:	Generation Services	<i>If other, please describe:</i>
Department:	Hydroelectric	

IMPACTED MEMBERS:

All Members	<input type="checkbox"/>	City of Lodi	<input checked="" type="checkbox"/>	City of Ukiah	<input checked="" type="checkbox"/>
Alameda Municipal Power	<input checked="" type="checkbox"/>	City of Lompoc	<input checked="" type="checkbox"/>	Plumas-Sierra REC	<input checked="" type="checkbox"/>
Bay Area Rapid Transit	<input type="checkbox"/>	City of Palo Alto	<input checked="" type="checkbox"/>	Port of Oakland	<input type="checkbox"/>
City of Biggs	<input type="checkbox"/>	City of Redding	<input type="checkbox"/>	Truckee Donner PUD	<input type="checkbox"/>
City of Gridley	<input type="checkbox"/>	City of Roseville	<input checked="" type="checkbox"/>	Other	<input type="checkbox"/>
City of Healdsburg	<input checked="" type="checkbox"/>	City of Santa Clara	<input checked="" type="checkbox"/>	<i>If other, please specify.</i>	

RECOMMENDATION:

Approve Resolution 24-XX authorizing the Lake Alpine Handrail and Walkway Replacement 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 \$1,690,000, and authorizing \$235,000 from the approved FY24 budget and the remaining \$1,455,000 collected in the FY25 Hydroelectric budget. A FEMA claim has been submitted and if any collections are received, funds will be refunded during the final settlements for the fiscal year they were received.

BACKGROUND:

NCPA operates the Upper Utica Hydroelectric Project (FERC Project No. 11563) on behalf of the project owners. One of the project features is Lake Alpine Dam located at Lake Alpine, approximately two miles Northeast of Bear Valley in Alpine County. The Lake Alpine Dam has an integral handrail and walkway system which was severely damaged in the winter of 2022-2023 due to heavy snow loads. The irreparable handrails require removal and replacement to restore safe access to the dam. The Federal Energy Regulatory Commission (FERC) and California Division of Safety of Dams (DSOD) have determined that the removal and replacement work is routine maintenance and therefore no permits are required. Site work is planned for June through August 2024.

FISCAL IMPACT:

The total cost of the Lake Alpine Handrail and Walkway Replacement Project is estimated to be \$1,690,000 which includes maintenance work, engineering and inspection services during the project, and contingency funds. This Project will be funded using \$235,000 of the available FY24 budget and the remaining \$1,455,000 collected in the FY25 Hydroelectric budget. A breakdown of project costs is included in the table below.

Funding	Amount
Maintenance P.O.	\$1,322,810
Engineering Services During Work (12%)	\$159,000
Contingency (14%)	\$208,190
Total	\$1,690,000

FEMA has indicated that this project is a candidate for reimbursement. NCPA staff provided the FEMA inspection team with an inspection tour of the site on September 18, 2023, and continues to work closely with FEMA providing responses to all of their requests for information. If any FEMA collections are received, they will be refunded during the final settlements for the fiscal year they were received.

SELECTION PROCESS:

The Project bid package invitation was distributed to NCPA general engineering contractor vendors September 6, 2023. All three (3) companies expressed an interest in the project and were provided with plans and specifications. All three (3) contractors KW Emerson, Syblon Reid, Ford Construction attended the mandatory pre-bid meeting and job walk on September

13, 2023. Two (2) addendums were issued for the Project concerning schedule and a design modification as well as answers to bidders' questions. Bids were received on December 13, 2023.

Contractor	Bid Amount
Syblon Reid	\$1,322,810
K.W. Emerson	\$1,399,396
Ford Construction	Declined to bid (cited crew constraints)

Syblon Reid was found to be the low, responsible, responsive bidder. The bid spread was 6% demonstrating a good understanding of the Project and 6-12% below the engineer's estimate of \$1,475,548. Syblon Reid has performed work on other projects at the Hydroelectric facility in the past, and NCPA has been pleased with their performance. NCPA intends to award this work to Syblon Reid, pending approval of the project by the NCPA Commission.

ENVIRONMENTAL ANALYSIS:

These activities are categorically exempt under Class 1 from the provisions of the California Environmental Quality Act pursuant to Sections 15301 (b), (d) and (m) of the CEQA Guidelines. There is no reasonable possibility that replacement of the damaged handrails and walkway will result in a significant impact on the environment, therefore, no environmental review is necessary. A Notice of Exemption for this type of work was approved by the NCPA Commission and filed with Calaveras County on March 27, 2014.

COMMITTEE REVIEW:

Pending Committee review and approval.

AFTER FACILITIES APPROVAL: The recommendation was reviewed by the Facilities Committee on February 7, 2024, and was recommended for Commission approval.

Respectfully submitted,

RANDY S. HOWARD
General Manager

Attachments (1):

- Resolution 24-XX

RESOLUTION 24-XX

RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY APPROVING THE LAKE ALPINE HANDRAIL AND WALKWAY REPLACEMENT PROJECT

(reference Staff Report #XXX:24)

WHEREAS, the Lake Alpine Dam handrail and walkway system collapsed from significant snow loading in the winter of 2023, requiring immediate replacement to restore safe personnel access to the dam; and

WHEREAS, design, Federal Energy Regulatory Commission (FERC) and California Division of Safety of Dams (DSOD) approval processes are complete; and

WHEREAS, NCPA distributed a notice requesting bids to qualified NCPA general engineering contractors on September 6, 2023 and received responsive bids December 13, 2023 for the Lake Alpine Handrail and Walkway Replacement Project; and

WHEREAS, the Facilities Committee recommended approval of the Lake Alpine Handrail and Walkway Replacement Project on February 7, 2024; and

WHEREAS, these activities are categorically exempt under Class 1 from the provisions of the California Environmental Quality Act pursuant to Sections 15301 (b), (d) and (m) of the CEQA Guidelines. There is no reasonable possibility that replacement of the damaged handrails and walkway will result in a significant impact on the environment, therefore, no environmental review is necessary. A Notice of Exemption for this type of work was approved by the NCPA Commission and filed with Calaveras County on March 27, 2014; and

NOW, THEREFORE BE IT RESOLVED, that the Commission of the Northern California Power Agency authorizes the Lake Alpine Handrail and Walkway Replacement Project and delegates 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 not-to-exceed amount of \$1,690,000, and authorizing \$235,000 from the approved FY24 budget and the remaining \$1,455,000 collected in the FY25 Hydroelectric budget. A FEMA claim has been submitted and if any collections are received, funds will be refunded during the final settlements for the fiscal year they were received.

PASSED, ADOPTED and APPROVED this ____ day of _____, 2024, by the following vote on roll call:

	<u>Vote</u>	<u>Abstained</u>	<u>Absent</u>
Alameda	_____	_____	_____
San Francisco BART	_____	_____	_____
Biggs	_____	_____	_____
Gridley	_____	_____	_____
Healdsburg	_____	_____	_____
Lodi	_____	_____	_____
Lompoc	_____	_____	_____
Palo Alto	_____	_____	_____
Port of Oakland	_____	_____	_____
Redding	_____	_____	_____
Roseville	_____	_____	_____
Santa Clara	_____	_____	_____
Shasta Lake	_____	_____	_____
Truckee Donner	_____	_____	_____
Ukiah	_____	_____	_____
Plumas-Sierra	_____	_____	_____

JERRY SERVENTI
CHAIR

ATTEST:

CARRIE POLLO
ASSISTANT SECRETARY



Commission Staff Report – *DRAFT*

COMMISSION MEETING DATE: February 22, 2024

SUBJECT: FERC 2409 Part 12 Independent Consultant Inspection (IC) Project – Applicable to the following: Northern California Power Agency (NCPA) Hydroelectric Project

AGENDA CATEGORY: Discussion/Action

FROM:	Michael DeBortoli	METHOD OF SELECTION:
	Assistant General Manager	<i>Competitive Pricing Process</i>
Division:	Generation Services	<i>If other, please describe:</i>
Department:	Hydroelectric	

IMPACTED MEMBERS:

All Members	<input type="checkbox"/>	City of Lodi	<input checked="" type="checkbox"/>	City of Ukiah	<input checked="" type="checkbox"/>
Alameda Municipal Power	<input checked="" type="checkbox"/>	City of Lompoc	<input checked="" type="checkbox"/>	Plumas-Sierra REC	<input checked="" type="checkbox"/>
Bay Area Rapid Transit	<input type="checkbox"/>	City of Palo Alto	<input checked="" type="checkbox"/>	Port of Oakland	<input type="checkbox"/>
City of Biggs	<input checked="" type="checkbox"/>	City of Redding	<input type="checkbox"/>	Truckee Donner PUD	<input type="checkbox"/>
City of Gridley	<input checked="" type="checkbox"/>	City of Roseville	<input checked="" type="checkbox"/>	Other	<input type="checkbox"/>
City of Healdsburg	<input checked="" type="checkbox"/>	City of Santa Clara	<input checked="" type="checkbox"/>	<i>If other, please specify.</i>	

RECOMMENDATION:

Approve Resolution 24-XX authorizing the FERC 2409 Part 12 Independent Consultant (IC) Inspection 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 \$709,500, and authorizing \$70,950 from the approved FY24 budget and the remaining \$638,550 collected in the FY25 Hydroelectric budget.

BACKGROUND:

NCPA operates the North Fork Stanislaus Hydroelectric Project (FERC Project No. 2409) on behalf of the project owners. New Spicer Meadow Dam and McKays Point Diversion Dam are the two dams in Project 2409 that require Part 12 reviews. Every five years, FERC Projects are required to retain the services of a qualified, and FERC-approved, independent dam safety engineering consultant(s) (IC) to conduct Part 12 inspections. On November 11, 2023, FERC issued a letter requiring McKays Point Periodic Part 12 Inspection (PI) due by April 2025 and the New Spicer Meadows Comprehensive Assessment (CA) due by June 2025. The New Spicer CA will be the first performed by NCPA, whereas the McKays 5-year PI is considered more routine. NCPA staff has already commenced the collection and sorting through 1980's construction files which will be utilized for the deep study effort associated with the new CA.

FISCAL IMPACT:

The total cost of the FERC 2409 Part 12 Independent Consultant (IC) Inspection Project is estimated to be \$709,500 which includes research, dam safety engineering, inspections, workshops, risk analyses, and reporting. In order to meet the FERC deadlines of April and June 2025, this Project will be funded using \$70,950 of available resources in the FY24 budget and the remaining \$638,550 collected in the FY25 Hydroelectric budget. FERC issued new regulations to NCPA on November 11, 2023, and provided clarifying review schedule timelines during a mandatory pre-bid FERC-Licensee conference call on January 11, 2024 which necessitates the issuance of a FERC Part 12 IC inspection contract in early March 2024 in order to maintain FERC regulatory compliance. A breakdown of project costs is included in the table below.

Funding	Amount
Part 12 (IC) Contract Estimate	\$645,000
Contingency (10%)	\$64,500
Total	\$709,500

SELECTION PROCESS:

The Project request for proposal invitation was distributed to NCPA hydro engineering vendors January 11, 2024: Condor Earth Technologies, Black and Veatch, Gannett Fleming, GEI Consultants, HDR, Mead and Hunt. Proposals are due February 5, 2024. Proposals and team qualifications will be reviewed by NCPA for: likelihood of receiving FERC approval of the IC team, ability to meet FERC deliverable timelines, and value to NCPA. Upon GM authorization of the contract, NCPA will submit the IC teams' qualifications and the Part 12 Inspection Plan to FERC for their review and approval. NCPA intends to award this work consistent with NCPA procurement policies and procedures, pending approval of the project by the NCPA Commission.

The project schedule is summarized below.

Figure 1: FERC Part 12 IC Project Schedule

Item	Date / Deadline
Initial Coordination Call (NCPA and FERC)	January 11, 2024
Request for Proposal Issued	January 11, 2024
NCPA receipt of all requests for clarification or questions via email	January 22, 2024
Proposal Deadline (including team resumes and Inspection Plans ready for FERC review and approval)	February 5, 2024
NCPA issues NOIA to selected proposer	February 6, 2024
NCPA requests FERC approval of proposed IC	February 6, 2024
NCPA to submit Part 12D Inspection Plan to FERC (Per Chapter 16. All proposals are to include an Inspection Plan that is ready for FERC submission)	February 6, 2024
Anticipated FERC approval of Independent Consultant	March 6, 2024
Anticipated NCPA Award of Contract	March 6, 2024
Second Coordination Call (NCPA and FERC)	April 1, 2024
IC File Review	April – June 2024
Draft Pre-Inspection Preparation Report (PI-PIPR) submitted to NCPA (for both McKays and Spicer) draft to NCPA	June 1, 2024
Final Pre-Inspection Preparation Report (PI-PIPR) submitted to NCPA/FERC (for both McKays and Spicer)	June 15, 2024
Conduct McKays Part 12D inspections (subject to NCPA and FERC availability) and IC review of previous PFMA reports	August 5 - 6, 2024
Submit draft Part 12D Reports McKays to NCPA	February 3, 2025
Submit final Part 12D Reports for McKays to NCPA	March 12 2025
NCPA to submit final McKays Reports and Deliverables to FERC	March 27, 2025
<i>McKays Point Periodic Inspection deadline</i>	<i>April 1, 2025</i>
NCPA to submit Plan and Schedule to FERC for McKays	<i>May 15, 2025</i>
Conduct Spicer Part 12D inspections PFMA Workshops (subject to NCPA and FERC availability), Level 2 Risk Analysis and IC-directed group review/evaluation of PFMA reports	August 8–29, 2024
Submit draft Part 12D, L2RA, PFMA Reports Spicer to NCPA	April 8, 2025
Submit final Part 12D, L2RA, PFMA Reports for Spicer to NCPA	May 13, 2025
Submit final Spicer Part 12D, L2RA, PFMA Reports and Deliverables to FERC	May 27, 2025
<i>New Spicer Meadows CA deadline</i>	<i>June 1, 2025</i>
CA Report Review Meeting	July 1, 2025

Item	Date / Deadline
NCPA to submit Plan and Schedule to FERC for Spicer	August 26, 2025
Prepare follow-up documentation such as and STID updates	TBD

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.

COMMITTEE REVIEW:

Pending Committee review and approval.

AFTER FACILITIES APPROVAL: The recommendation was reviewed by the Facilities Committee on February 7, 2024 and was recommended for Commission approval.

Respectfully submitted,

RANDY S. HOWARD
General Manager

Attachments (1):

- Resolution 24-XX

RESOLUTION 24-XX

**RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY
APPROVING THE FERC 2409 PART 12 INDEPENDENT CONSULTANT INSPECTION (IC)
PROJECT**

(reference Staff Report #XXX:24)

WHEREAS, the Northern California Power Agency (NCPA) operates and maintains the North Fork Stanislaus Hydroelectric Project (FERC Project No. 2409) on behalf of the project owners; and

WHEREAS, the Hydroelectric Facilities FERC 2409 Part 12 Independent Consultant Inspection (IC) Project for New Spicer Meadow Dam and McKays Point Diversion Dam requiring Part 12 Review by a FERC-approve independent dam safety engineering consultant(s) to ensure the safe and environmentally compliant operation; and

WHEREAS, the Periodic Part 12 Inspection (PI) and reporting for New Spicer Meadow Dam is a new requirement from FERC, whereas the McKays 5-Year Periodic design, and public construction bidding is complete; and

WHEREAS, 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; and

NOW, THEREFORE BE IT RESOLVED, that the Commission of the Northern California Power Agency authorizes FERC 2409 Part 12 Independent Consultant (IC) Inspection 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 \$709,500, and authorizing \$70,950 from the approved FY24 budget and the remaining \$638,550 collected in the FY25 Hydroelectric budget NCPA Hydroelectric Project.

PASSED, ADOPTED and APPROVED this_____ day of _____, 2024 by the following vote on roll call:

	<u>Vote</u>	<u>Abstained</u>	<u>Absent</u>
Alameda	_____	_____	_____
San Francisco BART	_____	_____	_____
Bigg	_____	_____	_____
Gridley	_____	_____	_____
Healdsburg	_____	_____	_____
Lodi	_____	_____	_____
Lompoc	_____	_____	_____
Palo Alto	_____	_____	_____
Port of Oakland	_____	_____	_____
Redding	_____	_____	_____
Roseville	_____	_____	_____
Santa Clara	_____	_____	_____
Shasta Lake	_____	_____	_____
Truckee Donner	_____	_____	_____
Ukiah	_____	_____	_____
Plumas-Sierra	_____	_____	_____

JERRY SERVENTI
CHAIR

ATTEST: CARRIE POLLO
ASSISTANT SECRETARY



Commission Staff Report – *DRAFT*

COMMISSION MEETING DATE: February 22, 2024

SUBJECT: Fourth Amendment to Resolution 21-109 NCPA Geothermal Plant 2, Unit 4 Overhaul Project; Applicable to the following: NCPA Geothermal Facility

AGENDA CATEGORY: Discussion/Action

FROM:	Michael DeBortoli	METHOD OF SELECTION:
	Assistant General Manager	<i>Competitive Pricing Process</i>
Division:	Generation Services	<i>If other, please describe:</i>
Department:	Geothermal	

IMPACTED MEMBERS:		
All Members	<input type="checkbox"/>	City of Lodi <input checked="" type="checkbox"/>
Alameda Municipal Power	<input checked="" type="checkbox"/>	City of Lompoc <input checked="" type="checkbox"/>
San Francisco Bay Area Rapid Transit	<input type="checkbox"/>	City of Palo Alto <input type="checkbox"/>
City of Biggs	<input checked="" type="checkbox"/>	City of Redding <input type="checkbox"/>
City of Gridley	<input checked="" type="checkbox"/>	City of Roseville <input checked="" type="checkbox"/>
City of Healdsburg	<input checked="" type="checkbox"/>	City of Santa Clara <input checked="" type="checkbox"/>
		City of Shasta Lake <input type="checkbox"/>
		City of Ukiah <input checked="" type="checkbox"/>
		Plumas-Sierra REC <input checked="" type="checkbox"/>
		Port of Oakland <input type="checkbox"/>
		Truckee Donner PUD <input type="checkbox"/>
		Other <input checked="" type="checkbox"/>
	<i>If other, please specify</i>	Turlock

RECOMMENDATION:

Approval of the Fourth Amendment to Resolution 21-109 for the NCPA Geothermal Plant 2 Unit 4 Overhaul Project increasing the total not-to-exceed amount of this project from \$7,400,000 to \$7,591,623 for settlement of the final invoice to close out the project.

BACKGROUND:

On December 2, 2021, the NCPA Commission approved the Geothermal Plant 2 Unit 4 Overhaul Project (Resolution 21-109) for an amount not to exceed \$3,500,000. NCPA hired Reliable Turbine Services, LLC (RTS) to complete the work for the project. Subsequent Amendments to the original Resolution were approved by the Commission in November 2022, April 2023, and October 2023, increasing the project budget to \$7,400,000 and modifying the Scope of Work due to additional damage discovered by RTS.

During the course of the project, NCPA staff is responsible for tracking and monitoring project expenses against the authorized budget for the project. As each change order occurred, it was reviewed against the tracking sheet and is only authorized after the change had been thoroughly negotiated. If NCPA determines a proposed change order may result in additional findings which could impact the overall project budget, NCPA will seek additional authorization from the Commission. For this project, NCPA understood that the approved project budget would be close, but all change orders received would be within the authorized spending amount.

In addition to monitoring project expenses, NCPA staff participated in daily meetings with the contractor, during which any additional findings or problems were discussed, as well as the budgetary impacts of any issues that arose. In the final closing stages of this project, the vendor did not indicate that an additional change order would be needed.

Throughout this project, numerous issues arose, resulting in extra delays and financial impacts. Among the items that NCPA was tracking and estimating were the extended oil flush duration and delay impacts due to the crane breaking. RTS did not indicate a change order was needed for these items, and NCPA estimated these costs would be within budget, as there was still a small amount remaining. Most of this outstanding work was billed on a Time and Materials basis, the final costs of which were not yet calculated. RTS continued to proceed with work, and exceeded the authorized purchase order amount without authorization from NCPA.

When RTS calculated the final costs, the billing exceeded authorization by 2.6%, or \$191,623. NCPA conducted a detailed review of these costs with RTS and is satisfied that the charges are all valid. That RTS worked at risk over the authorized budget amount was a benefit to the NCPA Geo project members. Had RTS informed NCPA of this issue in advance, NCPA would have had to stop work and request additional funding through special meetings. A stop work would have had one of two detrimental impacts: 1) a demobilization and then a subsequent remobilization, or 2) payment of standby charges. In addition, at this time, the Geo margin was running approximately \$130k per day, and this would have been lost for each day of delay added.

The work is now complete and the unit was returned to service on December 19, 2023. NCPA staff is now requesting to increase the project not to exceed amount from \$7,400,000 to \$7,591,623 to account for the 2.6% of valid charges for the work performed in excess of the authorized amount.

FISCAL IMPACT:

Throughout this project, a number of change orders to the agreement with RTS were executed, resulting in an updated total project cost of \$7,312,440.43. The proposed Fourth Amendment to Resolution 21-109 would increase the not to exceed amount by \$191,623, for an updated total project authorization of \$7,591,623.

This additional work will be funded from the cancelled Intertie Switch Project, which was budgeted at \$1,750,000. Of that, \$990,725 was previously authorized for additional turbine related work related to this project. There remain sufficient funds from this project to cover the remaining costs of the work.

SELECTION PROCESS:

In 2022, NCPA solicited competitive bids from multiple vendors to perform various scopes required for this project. NCPA bid these specific scopes of work consistent with NCPA procurement policies and procedures. The work is now complete and approval of this Amendment will allow NCPA to pay the final invoice for the vendor and close out the project.

ENVIRONMENTAL ANALYSIS:

These activities are categorically exempt under Class 1, 2, 3, 4, and 11 from the provisions of the California Environmental Quality Act pursuant to Sections 15301 (b), 15302 (c), 15303, 15304 and 15311 of the CEQA Guidelines. A Notice of Exemption was approved by the NCPA Commission on September 27, 2013 for this class of work and was filed in Sonoma County. No environmental review is necessary.

COMMITTEE REVIEW:

Pending Committee review and approval.

AFTER FACILITIES APPROVAL: On February 7, 2024 the Facilities Committee reviewed and endorsed the recommendation above for Commission approval.

Respectfully submitted,

RANDY S. HOWARD
General Manager

Attachment:

- Fourth Amended Resolution 21-109

AMENDED RESOLUTION 21-109

RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY APPROVING THE FOURTH AMENDMENT TO THE NCPA GEOTHERMAL PLANT 2 UNIT 4 OVERHAUL PROJECT

(reference Staff Report #XXX:24)

WHEREAS, on December 2, 2021, the NCPA Commission approved the Geothermal Plant 2 Unit 4 Overhaul Project (Resolution 21-109) for an amount not to exceed \$3,500,000. NCPA hired Reliable Turbine Services, LLC (RTS) to complete the work for the project; and

WHEREAS, subsequent Amendments to the original Resolution were approved by the Commission in November 2022, April 2023, and October 2023 to increase the project budget to \$7,400,000 and modify the Scope of Work due to additional damage discovered by RTS; and

WHEREAS, during the course of this project, NCPA staff was responsible for tracking and monitoring project expenses against the authorized budget for this project; and

WHEREAS, throughout this project, numerous issues arose resulting in extra delays and financial impacts. Among the items that NCPA was tracking and estimating were the extended oil flush duration and delay impacts due to the crane breaking. RTS did not indicate a change order was needed for these items, leading NCPA to believe these estimated costs would be within budget. RTS continued to proceed with work, and exceeded the authorized purchase order amount without authorization from NCPA; and

WHEREAS, when RTS calculated the final costs, the billing exceeded authorization by 2.6%, or \$191,623. NCPA conducted a detailed review of these costs with RTS and is satisfied that the changes are valid; and

WHEREAS, the work is now complete and the unit was returned to service on December 19, 2023. NCPA staff is now requesting to increase the project not to exceed amount from \$7,400,000 to \$7,591,623 to account for the 2.6% of valid charges for the work performed in excess of the authorized amount; and

WHEREAS, these activities are categorically exempt under Class 1, 2, 3, 4, and 11 from the provisions of the California Environmental Quality Act pursuant to Sections 15301 (b), 15302 (c), 15303, 15304 and 15311 of the CEQA Guidelines. A Notice of Exemption was approved by the NCPA Commission on September 27, 2013 for this class of work and was filed in Sonoma County. No environmental review is necessary; and

NOW, THEREFORE BE IT RESOLVED, that the Commission of the Northern California Power Agency authorizes approval of the Fourth Amendment to Resolution 21-109 for the NCPA Geothermal Plant 2 Unit 4 Overhaul Project, increasing the total not-to-exceed amount of this project from \$7,400,000 to \$7,591,623 for settlement of the final invoice to close out the project.

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PASSED, ADOPTED and APPROVED this ____ day of _____, 2024, by the following vote on roll call:

	<u>Vote</u>	<u>Abstained</u>	<u>Absent</u>
Alameda	_____	_____	_____
San Francisco BART	_____	_____	_____
Biggs	_____	_____	_____
Gridley	_____	_____	_____
Healdsburg	_____	_____	_____
Lodi	_____	_____	_____
Lompoc	_____	_____	_____
Palo Alto	_____	_____	_____
Port of Oakland	_____	_____	_____
Redding	_____	_____	_____
Roseville	_____	_____	_____
Santa Clara	_____	_____	_____
Shasta Lake	_____	_____	_____
Truckee Donner	_____	_____	_____
Ukiah	_____	_____	_____
Plumas-Sierra	_____	_____	_____

JERRY SERVENTI
CHAIR

ATTEST: _____
CARRIE POLLO
ASSISTANT SECRETARY