



12745 N. Thornton Road
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Memo

Date: February 6, 2014
To: NCPA Lodi Energy Center Project Participant Committee
From: Michael Werner, Chairman
Subject: February 10, 2014 LEC PPC Meeting Notice and Agenda

PLEASE TAKE NOTICE that pursuant to Government Code section 94956, a meeting of the Northern California Power Agency Lodi Energy Center Project Participant Committee is hereby called for Monday, February 10, 2014 at 10:00 a.m. to discuss those matters listed in the attached Agenda. The meeting will be held at the Northern California Power Agency, 12745 N. Thornton Road, Lodi, California.

If you are unable to attend the meeting in person at the Lodi location and wish to attend via teleconference, in accordance with The Brown Act, you must attend at one of the locations listed on the Agenda and post the Agenda at that location by 10:00 a.m. on Friday, February 7, 2014, in a location that is accessible to the public until the completion of the meeting.

Michael Werner, Chairman



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Agenda

Date: February 6, 2014

Subject: February 10, 2014 Lodi Energy Center Project Participant Committee Meeting

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

Time: 10:00 A.M.

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

CITY OF AZUSA 729 N. Azusa Avenue Azusa, A	NCPA 12745 N. Thornton Road Lodi, CA	CITY OF HEALDSBURG 401 Grove Street Healdsburg, CA
BAY AREA RAPID TRANSIT 300 Lakeside Drive, 16th Floor Oakland, CA	CITY OF GRIDLEY 685 Kentucky Street Gridley, CA	PLUMAS-SIERRA RURAL ELECTRIC COOP 73233 Highway 70 Portola, CA
CITY OF BIGGS 465 "C" Street Biggs, CA	CITY OF SANTA CLARA 1500 Warburton Avenue Santa Clara, CA	NCPA 651 Commerce Drive Roseville, CA
CITY OF UKIAH 411 W Clay Street Ukiah, CA	POWER & WATER RESOURCES POOLING AUTHORITY 2106 Homewood Way, Suite 100 Carmichael, CA	

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

1. Call Meeting to Order and Roll Call

2. Meeting Minutes - Approval of PPC meeting minutes for the January 13, 2014 regular meeting

PUBLIC FORUM

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

MONTHLY REPORTS

- 3. Operational Report for January 2014** (*Jeremy Lawson*)
- 4. Market Data Report for January 2014** – Verbal Report (*Bob Caracristi*)
- 5. Monthly Budget Review** – (*Michael DeBortoli*)

CONSENT CALENDAR

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

- 6. Treasurer's Report for January 2014** – Accept by all Participants
- 7. Financial Report for January 2014** – Approve by all Participants
- 8. GHG Reports (excerpted from monthly ARB)** - Accept by all Participants
- 9. Performance Contracting Agreement** – Staff seeking approval of a five year Multi-Task General Services Agreement with Performance Contracting, Inc. in an amount not-to-exceed \$700,000 for scaffolding and insulation services as needed at all facility locations. All purchase orders issued pursuant to this agreement will be charged against existing and future approved Annual Operating Budgets.
- 10. Airgas USA, LLC Agreement** – Staff seeking approval of a five year Multi-Task Agreement for Purchase of Equipment, Materials and Supplies with Airgas USA, LLC in an amount not-to-exceed \$500,000 for the purchase and delivery of CEMS gases as needed at the LEC and CT2 facility locations. All purchase orders issued pursuant to this agreement will be charged against existing and future approved Annual Operating Budgets.
- 11. Quality Generator Services Agreement** – Staff seeking approval of a five year Multi-Task General Services Agreement with Blue Toro LLC d/b/a Quality Generator Services in an amount not-to-exceed \$400,000 for generator inspection and maintenance services as needed at all facility locations. All purchase orders issued pursuant to this agreement will be charged against existing and future approved Annual Operating Budgets.

Consent Items pulled for discussion: _____

BUSINESS ACTION ITEMS

- 12. Standard Large Generator Interconnection Agreement Upgrade Project with CAISO** – Staff to present study results regarding application to increase delivered capacity for LEC from 280 MW to 304 MW, schedule, and seeking approval of a budget augmentation in the amount of \$911,000 to enter into Phase Two of the LGIA study process; payment to CAISO due by April 14, 2014 (Michael DeBortoli)

INFORMATIONAL ITEMS

- 13. Water Storage** – Staff to present information regarding raw water storage and a financial evaluation of adding an additional storage tank (*Jeremy Lawson*)
- 14. Drought Impacts on Water Supply** – Staff to present information regarding the City's water conservation measures and possible impacts on water supply to LEC (*Michael DeBortoli*)
- 15. Proposed Budget for Fiscal Year 2015** – Staff to present first draft of proposed budget for fiscal year 2015 (*Michael DeBortoli*)
- 16. Other New Business**

ADJOURNMENT

Next Meeting: March 10, 2014

**Lodi Energy Center
Project Participant Committee Meeting
January 8, 2014 - MEETING MINUTES**
Location: Lodi Energy Center Project Site
12745 N. Thornton Rd, Lodi CA 95242
and by teleconference
10:00 A.M.

1. Call Meeting to Order and Roll Call

The PPC meeting was called to order at 10:02 a.m. by Vice Chairman George Morrow. He asked that roll be called as listed below.

George Morrow (Azusa)
Frank Schultz (BART)
Connee Lloyd (BART by telephone)
Owen Stiles (Gridley by telephone)
Melissa Price (Lodi)
Marty Hostler (Lompoc)
Martin Caballero (MID)
Kent Palmerton (PWRPA by telephone)
Steve Hance (SVP)
Ken Speer (NCPA)
Mike DeBortoli (NCPA)
Jeremy Lawson (NCPA)
Linda Stone (NCPA)
Bob Caracristi (NCPA by telephone)
Donna Stevener (NCPA by telephone)
Gillian Biedler (NCPA by telephone)
Ruthann Ziegler (Meyers-Nave by telephone)

Absent at roll call: Biggs, CDWR, Healdsburg, Plumas-Sierra, and Ukiah. A PPC quorum was present at roll call by both number and percentage share of Project capacity.

2. Meeting Minutes

The draft minutes for the December 9, 2013 regular meeting were considered. The LEC PPC considered the following motion:

Motion: The PPC approves the meeting minutes for the December 9, 2013 regular meeting, including any edits discussed at today's meeting.

Moved by: BART
Seconded by: Lompoc

Discussion: There was no further discussion.

Vote Summary on Motion		
Participant	Vote	Particulars / GES
Azusa	Yes	2.7857%
BART	Yes	6.6000%
Biggs	Absent	0.2679%
CDWR	Absent	33.5000%
Gridley	Yes	1.9643%
Healdsburg	Absent	1.6428%
Lodi	Yes	9.5000%
Lompoc	Yes	2.0357%
Modesto	Yes	10.7143%
Plumas-Sierra	Absent	0.7857%
PWRPA	Yes	2.6679%
Silicon Valley Power	Yes	25.7500%
Ukiah	Absent	1.7857%
Vote Summary		
Total Ayes	8	62.0179%
Total Noes	0	0.0000%
Total Abstain	0	0.0000%
Total Absent	5	37.9821%
Result:		Motion passed by quorum and GES share.

Public Forum

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

Mark Sorenson from Biggs and Mike Brozo from Plumas-Sierra joined the meeting via telephone.

REPORTS

3. Operational Reports for December 2013

Jeremy Lawson presented the written Operational Report which was updated since the meeting materials were dispatched including Safety, Notice of Violations, Outages, and Generating Unit Statistics for December. There were no OSHA Recordable accidents, no Permit violations and no NERC/WECC violations. There were six outages during December, the first on December 1 due to a Re-heater tube leak which forced LEC offline for the weld repair until December 4. This outage was discussed at the December meeting. The second occurred on December 4 during start up when the steam turbine tripped offline due to a failed cold reheat pressure switch. Staff is using software as a workaround to ensure safety while the appropriate switch is being located. The unit returned to operation that day. The next two were a result of LEC being curtailed to 280 MWs during CT2 Stig operation on December 8 and 9. In response to a question from Marty Hostler, Ken Speer explained about the curtailments to LEC when the Stig plant is operating. LEC had advance notice of the curtailment from December 18–22 due to

PGE gas pipeline maintenance work. The work curtailed gas capacity below LEC's minimum power output. During this outage staff capitalized on the time to do tube repairs on the RAC and plugged 13 more tubes. The outage was treated as a scheduled outage by CAISO since it was beyond LEC's control. The final outage was on December 27-28 when the gas compressor tripped on high gas pressure. Staff went to the secondary gas compressor and returned the unit to service.

The report reflected monthly production of 138,053 net MWH, 491 service hours, and equivalent operating availability of 75.14%. The report set forth the Capacity Factor @ 280MW Pmax of 66.28% and @ 302MW Pmax of 61.45%. During the month the plant had seven hot starts, zero warm starts, and two cold starts.

4. Market Data Report for December 2013

Bob Caracristi discussed the operating and financial settlement results for the month and the SCP RA Non-Availability Charge.

5. Final Fiscal Year 2013 Annual Billing Settlements Report

Donna Stevener presented final Fiscal Year 2013 Annual Billing Settlements report for the period November 27, 2012 through June 30, 2013. The report was previewed at last month's meeting and no changes have been made. The LEC PPC considered the following motion:

Motion: The PPC approves the final Fiscal Year 2013 Settlements Report for LEC which results in a net refund of excess collections to Participants in the amount of \$ 919,319.00, authorizes distribution of the excess collections to the Participants, and recommends Commission approval, as discussed at today's meeting.

Moved by: **Gridley**
Seconded by: **MID**

Discussion: There was no further discussion.

Vote Summary on Motion		
Participant	Vote	Particulars / GES
Azusa	Yes	2.7857%
BART	Yes	6.6000%
Biggs	Yes	0.2679%
CDWR	Absent	33.5000%
Gridley	Yes	1.9643%
Healdsburg	Absent	1.6428%
Lodi	Yes	9.5000%
Lompoc	Yes	2.0357%
Modesto	Yes	10.7143%
Plumas-Sierra	Yes	0.7857%
PWRPA	Yes	2.6679%
Silicon Valley Power	Yes	25.7500%
Ukiah	Absent	1.7857%

Vote Summary		
Total Ayes	10	63.0715%
Total Noes	0	0.0000%
Total Abstain	0	0.0000%
Total Absent	3	36.9285%
Result:	Motion passed by quorum and GES share.	

6. Consent Calendar

Ken Speer gave a brief explanation about the new agenda format using a consent calendar for items which are considered routine. The items will be approved without discussion by a single roll call vote. Any Project Participant or member of the public may remove any item from the Consent Calendar. If an item is removed, it will be discussed separately following approval of the remainder of the Consent Calendar. Prior to the roll call vote to approve the Consent Calendar, the Participants will be polled to determine if any Participant wishes to abstain from one or more items on the Consent Calendar.

The LEC PPC considered the following motion:

Motion: The PPC approves the 1-13-2014 Consent Calendar consisting of agenda items 6, 7, 8, 9, 10, and 11.

Moved by: **BART**
Seconded by: **Lompoc**

Discussion: Prior to the roll call vote the Participants were asked if any person wished to pull an item or abstain from one or more items on the Consent Calendar. No items were pulled for clarification. There was no further discussion.

Vote Summary on Motion		
Participant	Vote	Particulars / GES
Azusa	Yes	2.7857%
BART	Yes	6.6000%
Biggs	Yes	0.2679%
CDWR	Absent	33.5000%
Gridley	Yes	1.9643%
Healdsburg	Absent	1.6428%
Lodi	Yes	9.5000%
Lompoc	Yes	2.0357%
Modesto	Yes	10.7143%
Plumas-Sierra	Yes	0.7857%
PWRPA	Yes	2.6679%
Silicon Valley Power	Yes	25.7500%
Ukiah	Absent	1.7857%

Vote Summary		
Total Ayes	10	63.0715%
Total Noes	0	0.0000%
Total Abstain	0	0.0000%
Total Absent	3	36.9285%
Result:	Motion passed by quorum and GES share, with no abstentions.	

12. Emissions Reduction Credits Purchase and Sale Agreement with Element Markets.

Mike DeBortoli presented this item referring to the information contained in the Staff Report. With the approval of the Services Agreement with Element Markets, there is in place the agreement which establishes the terms and conditions for the selling and marketing of the ERCs. This agreement is for a specific transaction whereby NCPA is selling excess ERCs for a total price of \$802,566, less the applicable brokerage fee. Mike mentioned that on March 12, 2012 the PPC approved the minimum conditions for the sale of the ERCs and recently on November 13, 2013 modified the minimum conditions for sale of the NOx credits. Marty Hostler asked if the agreement between NCPA and Element Markets is limited to ERCs only. Staff confirmed that to be the case and said it does not apply to RECs. Frank Schultz asked where the sale proceeds go. Donna Stevener explained the information contained in the Fiscal Impact section of the staff report. Based on Generation Entitlement share, the net sale proceeds will be placed in the debt service account for the portion funded by bond proceeds and will be used to pay future debt service payments on the project bonds. Future debt service collections will be reduced by a like amount. In the case of MID's portion, it can be refunded since MID funded its ERC cost in cash. The LEC PPC considered the following motion:

Motion: The PPC approves the Purchase and Sale Agreement with Element Markets, LLC, with any non-substantial changes recommended and approved by the NCPA General Counsel, for the December 9, 2013 transaction and directs the NCPA General Manager to enter into the Agreement, as discussed at today's meeting.

Moved by: Lodi
Seconded by: Lompoc

Discussion: There was no further discussion.

Vote Summary on Motion		
Participant	Vote	Particulars / GES
Azusa	Yes	2.7857%
BART	Yes	6.6000%
Biggs	Yes	0.2679%
CDWR	Absent	33.5000%
Gridley	Yes	1.9643%
Healdsburg	Absent	1.6428%
Lodi	Yes	9.5000%
Lompoc	Yes	2.0357%

Modesto	Yes	10.7143%
Plumas-Sierra	Yes	0.7857%
PWRPA	Yes	2.6679%
Silicon Valley Power	Yes	25.7500%
Ukiah	Absent	1.7857%
Vote Summary		
Total Ayes	10	63.0715%
Total Noes	0	0.0000%
Total Abstain	0	0.0000%
Total Absent	3	36.9285%
Results:	Motion passed by quorum and GES share.	

13. **Rotor Air Cooler.**

Mike DeBortoli presented this item and explained since publishing the Staff Report, circumstances have changed so asked that the Participants disregard the recommendation in the report. Mike gave an overview of the tube failures in the Rotor Air Cooler (RAC), the results of the root cause analysis, and the process for repair of the tubes. He explained that Staff identified a sleeve product which has been used on failed tubes which is working to relieve the issue. Although the sleeve material is also susceptible to cracking, it took five months for the cracking to affect the original tubes and it is hoped that it will take even longer to attack the sleeves. In other cases, the sleeves have lasted as long as four years. Mike's goal is to make it to the planned outage in April 2015 with careful monitoring of the situation. He reiterated that the lead time for ordering a new RAC is approximately 24 weeks.

Mike said Siemens has indicated it will take responsibility for replacement of the RAC. Although the warranty period ended in August and the problem was specifically identified in November, the analysis showed that the first tube crack occurred in April during the warranty period. Based on Siemens' apparent willingness to take responsibility, staff is not requesting authorization for expenditure of funds to replace the RAC unit and believes no action is necessary at this time.

In response to a question from Lodi, Mike said that he estimates the labor and materials costs at approximately \$130,000 to date for these repairs, which is not inclusive of capacity impacts. He also responded that the normal life for a RAC is about ten years. He acknowledged that the tubes are the weak spot, but normally you would see a failure rate of one or two tubes over the years, not 55.

Marty Hostler expressed concerns that in the event that Siemens does not come through with taking responsibility for replacement of the RAC, that valuable time will be lost in ordering the unit.

Motion: Marty Hostler of Lompoc made a motion to approve expenditure of not-to-exceed \$500,000 for replacement of the RAC to get it on order with continued pursuit of Siemens for responsibility for the replacement cost.

Discussion continued with George Morrow commenting that once the funds are spent it is much harder to seek reimbursement because the negotiating leverage is lost. The timing issues were

further discussed and it was noted that a special PPC meeting could be scheduled in the event it becomes evident that Siemens will not come through. A straw poll was taken with respect to the pending motion. In light of the poll, Marty Hostler amended his motion, as follows:

Motion: In the event Siemens does not take responsibility for the RAC replacement by 1/27/2014, the PPC approves to increase the LEC 2014 budget by \$500,000 and approves the expenditure of funds, in an amount not to exceed \$500,000 for replacement (not including installation) of the LEC Rotor Air Cooler, as discussed at today's meeting.

Moved by: Lompoc

Seconded by: Gridley

Discussion: Ken Speer was asked what he would recommend. He said he understands this issue has been discussed at high management levels at Siemens. He recommends waiting on expending funds as he has confidence that Siemens will take responsibility as it has indicated. There was no further discussion.

Vote Summary on Motion		
Participant	Vote	Particulars / GES
Azusa	Noe	2.7857%
BART	Noe	6.6000%
Biggs	Noe	0.2679%
CDWR	Absent	33.5000%
Gridley	Noe	1.9643%
Healdsburg	Absent	1.6428%
Lodi	Noe	9.5000%
Lompoc	Yes	2.0357%
Modesto	Noe	10.7143%
Plumas-Sierra	Absent	0.7857%
PWRPA	Noe	2.6679%
Silicon Valley Power	Yes	25.7500%
Ukiah	Absent	1.7857%
Vote Summary		
Total Ayes	2	27.7857%
Total Noes	7	34.5001%
Total Abstain	0	0.0000%
Total Absent	4	37.7142%
Result:	Motion failed.	

14. LEC Project Management and Operations Agreement (PMOA) Schedule 1.00 Exhibit 5.

Bob Caracristi presented this item and referred to the Staff Report presented. The PPC considered the following motion:

Motion: The PPC approves revised Exhibit 5, CAISO Charges, to Schedule 1.00 of the Project Management and Operations Agreement (PMOA) to reflect revised 2014 Grid Management Charge (GMC) Rates, as discussed at today's meeting.

Moved by: Lompoc
Seconded by: BART

Discussion: There was no further discussion.

Vote Summary on Motion		
Participant	Vote	Particulars / GES
Azusa	Yes	2.7857%
BART	Yes	6.6000%
Biggs	Yes	0.2679%
CDWR	Absent	33.5000%
Gridley	Yes	1.9643%
Healdsburg	Absent	1.6428%
Lodi	Yes	9.5000%
Lompoc	Yes	2.0357%
Modesto	Yes	10.7143%
Plumas-Sierra	Absent	0.7857%
PWRPA	Yes	2.6679%
Silicon Valley Power	Yes	25.7500%
Ukiah	Absent	1.7857%
Vote Summary		
Total Ayes	9	62.2858%
Total Noes	0	0.0000%
Total Abstain	0	0.0000%
Total Absent	4	37.7142%
Result:	Motion passes by quorum and GES share.	

15. **Format for Budget to Actual Monthly Report.**

Ken Speer presented this item with a PowerPoint presentation. In response to requests from Participants, NCPA staff has worked to address these concerns about monthly reporting, variances, and budget to actual numbers. Ken discussed NCPA's three types of reports regarding budget versus actual data, the All Resources Bill, Monthly Financial Report, and Asset Management Report. He talked about what each report provides, the analysis upon which it is based, its limitations, and provided sample reports. Donna Stevener commented that the monthly financial report is based on when bills are paid with a true up done at the end of the year for audits. It is not done on a month by month basis and is totally different from the ARB numbers. Discussion was had regarding reporting of fuel costs and revenue numbers. With the asset management report, Bob Caracristi's numbers will be used so the differences between that and the actual numbers should be very small. Ken said NCPA staff is recommending that

individual meetings be had with members if they are having issues with the ARB, NCPA continue to provide the monthly financial report on a year to date basis as required by contracts, and NCPA develop an automated asset management report going forward to be reviewed on a monthly basis at the PPC meetings. The Participants accepted this as a good idea.

16. NCPA Preparation for CAISO Implementation of FERC Order No. 764 Market Changes.

Bob Caracristi displayed a PowerPoint presentation to explain the objections of NCPA for CAISO implementation of FERC Order No. 764. He provided an overview of CAISO market changes, outlined the timeline for readiness and implementation, explained the required changes to the Data Portal for revised scheduling and settlements data, all with an end of providing readiness preparation for the Project Participants. Bob noted that NCPA is doubling storage on the Data Portal in light of the changes including five minute meter data and utilization of 15 minute energy schedules. The implementation date is April 1 of this year.

17. Standard Large Generator Interconnection Agreement among NCPA, PGE and CAISO.

Mike DeBortoli said the report issue date is expected January 17. This item will be on the agenda for the February meeting.

18. PGE Charges per Interconnection Agreement.

Mike DeBortoli briefed the committee about a billing received from PGE with a claimed amount due of approximately \$250,000 for cost of ownership for PGE interconnection facilities installed under the Interconnection Agreement. He said NCPA disputes those charges and has previously requested documents from PGE to explain the billed amount. Mike noted there have been numerous different Project Managers at PGE during the course of the Project. He and Ken Speer met with the most recent two managers and other PGE management in San Francisco on Friday, January 10, and they seemed to understand NCPA's issues as to the cost of ownership fees. NCPA requested that PGE provide information to show how the \$250,000 cost of ownership number was originally derived, provide the cost estimated as revised midway through the job, and an explanation as to the cost ownership billing in the amount of \$256,203. Frank Schultz thanked Mike for a clear presentation regarding a complex issue.

19. Update Regarding Services by Nexant Relative to Congestion Issues.

Ken Speer updated the Participants and advised that a consulting services agreement has been executed between NCPA and Nexant, Inc. which covers three phases of work as may be necessary regarding the congestion issues. He said the appropriate non-disclosure agreement has now been executed and a purchase order issued in the amount of \$35,000 for historical data analysis. Ken said this will be important information to understand since the Project lost more money in congestion than it made of the past summer months. In response to a question from MID, Ken confirmed that further discussion with the Participants will be had before NCPA issues any further POs to Nexant under the agreement.

20. Other New Business

Melissa Price requested that going forward NCPA include in staff reports seeking approval of enabling agreements, information about what other vendors are already under contract to provide the same or similar services. NCPA will provide more information as requested.

Martin Caballero of MID inquired about the status of a Notice of Completion for LEC. MID is in need of this document in order to close out its bonds for the project. Donna Stevener commented that NCPA will also need the documents for its bonds.

Adjournment

The next meeting of the PPC is scheduled for Monday, February 10, 2014. Vice Chairman George Morrow adjourned the meeting at 12:05 p.m.



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Lodi Energy Center Project Participant Committee Operational Report

Date: 2/10/2014

To: Lodi Energy Center Project Participant Committee

Safety

- OSHA Recordable: 0 Accidents

Notice of Violations

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

Outage Summaries:

- **Rotor Air Cooler (RAC) Sleeve Repair** – 1/5/2014 00:00 to 1/9/2014 16:40 – Installed sleeves in the upstream tubes of the RAC to maintain operational status.

Planned Outage Summaries:

- 2014, April – Combustion Turbine Borescope
- 2014, April – Steam Turbine Minor Inspection
- 2015, April – Combustion Inspection

Generating Unit Statistics:**Report****Date:**

Start Date 1/1/2014

End Date 1/31/2014

1. Monthly Production 136,543 MWH
2. Productivity Factor
- a. Service Hours 488 Hours
- b. Service Factor 65.60 %
- c. Capacity Factor @ 280MW Pmax 65.55 %
- d. Capacity Factor @ 302MW Pmax 60.78 %
3. Equivalent Operating Availability (EOA) 84.85 %
4. Forced Outage Rate (FOR)
- a. Combustion Turbine Generator 18.76 %
- b. Steam Turbine Generator 18.76 %
5. Heat Rate Deviation (HRD)
- a. Fuel Cost (Not Current Market Price) 4.00 \$/mmBTU

MW Range		Average HR	PMOA HR	Deviation	Production	Cost
		BTU/kW-Hr	BTU/kW-Hr	%	MWH	\$
Seg. 1	296 - 302	6,925	6850	1.10%	30,591	\$9,206
Seg. 2	284 - 296	6,936	6870	0.97%	80,222	\$21,296
Seg. 3	275 - 284	6,951	6971	-0.28%	4,851	-\$379
Seg. 4	250 - 275	6,993	7081	-1.25%	9,653	-\$3,412
Seg. 5	225 - 250	7,061	7130	-0.97%	4,968	-\$1,379
Seg. 6	200 - 225	7,182	7315	-1.82%	3,469	-\$1,848
Seg. 7	175 - 225	7,354	7711	-4.64%	967	-\$1,383
Seg. 8	165 - 175	7,661	0	0.00%	600	\$18,392
					135,321	\$40,492

6. AGC Control Deviation

MW Range		High Dev	Low Dev	Absolute Dev	Cost
		MWH	MWH	MWH	\$
Seg. 1	296 - 302	39	-5	44	\$1,231
Seg. 2	284 - 296	107	-186	293	\$8,125
Seg. 3	275 - 284	14	-6	20	\$551
Seg. 4	250 - 275	32	-8	39	\$1,102
Seg. 5	225 - 250	18	-7	25	\$717
Seg. 6	200 - 225	11	-4	14	\$415
Seg. 7	175 - 225	2	-2	4	\$124
Seg. 8	165 - 175	3	0	3	\$88
		226	-218	443	\$12,353

7. Starting Reliability

Start Type	Hot Starts	Warm Starts	Cold Starts
Number of Starts	4	2	1
Start Time Benchmark (Minutes)	85	160	235
Start Time Actual (Average Minute)	65.8	122.0	190.0
Start Time Deviation (%)	-22.6%	-23.8%	-19.1%
Start Fuel Benchmark PMOA (mmBTU)	1,967	5,200	5,430
Start Fuel Actual (Average mmBTU)	1,265	2,553	3,737
Fuel Deviation	-35.7%	-50.9%	-31.2%
Costs of Fuel Deviations (\$)	-\$2,808	-\$10,587	-\$6,772

Definitions:

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

Lodi Energy Center
Monthly Budget Analysis

Means Actual or Estimated values
Means Forecasted values

	July	August	September	October	November	December	January	February	March	April	May	June	Year End Projection	FY2014 Budget
VOM	4,510,911	3,441,771	3,527,417	3,559,665	3,829,061	5,841,427	3,723,886	3,320,355	3,430,189	1,859,583	3,662,143	3,713,401	44,419,809	48,980,350
Capacity Factor	59%	45%	46%	47%	52%	67%	72%	65%	46%	16%	12%	34%	47%	64%
Fuel Consumed (mmBTU, estimated)	879,771	674,758	658,848	688,301	742,102	968,742	1,038,457	842,138	655,183	216,225	178,434	473,961	8,016,921	9,349,196
Avg Fuel Cost (\$/mmBTU)	4.26	4.21	4.43	4.44	5.22	4.65	4.67	4.68	4.68	4.78	4.80	4.92	4.62	4.38
Power Produced (MWHr, estimated)	122,486	94,610	92,090	98,738	105,077	138,065	150,501	122,049	94,954	31,337	25,860	68,690	1,144,457	1,354,956
Avg Power Price (\$/MWHr)	46.91	42.48	46.99	41.03	42.09	54.14	39.42	40.51	37.59	38.84	34.51	32.73	41.44	53.60
Operations	43,003	96,234	127,333	26,495	108,825	124,300	108,395	108,395	108,395	108,395	108,395	108,395	1,176,559	1,300,738
Fuel (estimated)	3,752,183	2,838,640	2,921,836	3,055,256	3,208,112	5,061,023	2,943,833	2,658,939	2,881,773	1,576,439	3,401,848	3,274,500	37,574,384	41,500,588
AB32 GHG Offset (estimated)	665,425	470,249	440,345	439,427	466,509	601,037	627,591	508,955	395,955	130,682	107,833	286,439	5,140,447	5,650,224
CA ISO Charges (estimated)	50,300	36,648	37,902	38,488	45,615	55,066	44,067	44,067	44,067	44,067	44,067	44,067	528,419	528,800
Routine O&M (Fixed)	825,352	705,626	781,796	836,116	1,541,610	1,660,100	947,690	947,690	947,690	947,690	947,690	947,690	12,036,740	12,360,283
Maintenance	122,856	103,896	138,361	205,464	804,406	282,058	312,729	312,729	312,729	312,729	312,729	312,729	3,533,417	3,752,752
Administration	176,051	14,591	100,092	101,797	96,024	100,085	101,221	101,221	101,221	101,221	101,221	101,221	1,195,969	1,214,657
Mandatory Costs	54,223	33,816	75,781	40,651	44,151	27,705	38,000	38,000	38,000	38,000	38,000	38,000	504,327	456,000
Inventory Stock	0	0	0	0	0	14,393	25,000	25,000	25,000	25,000	25,000	25,000	164,393	400,000
Labor	362,071	347,160	363,503	379,492	492,969	347,638	352,258	352,258	352,258	352,258	352,258	352,258	4,406,382	4,227,098
Insurance	110,151	206,163	104,059	108,712	104,060	888,221	118,481	118,481	118,481	118,481	118,481	118,481	2,232,252	2,309,776
Power Management & Settlements														
Other Costs														
Projects	33,104	33,104	33,105	33,104	82,515	48,100	92,938	92,938	92,938	92,938	92,938	92,938	820,657	1,115,250
Maintenance Reserve	33,104	33,104	33,105	33,104	33,104	33,104	33,104	33,104	33,104	33,104	33,104	33,104	397,250	397,250
Operations & Maintenance Projects	0	0	0	0	49,411	14,996	14,000	14,000	14,000	14,000	14,000	14,000	148,407	168,000
Capital Projects	0	0	0	0	0	0	45,833	45,833	45,833	45,833	45,833	45,833	275,000	550,000
A&G	93,845	93,845	143,178	116,185	146,921	144,534	188,459	188,459	188,459	188,459	188,459	188,459	1,869,263	2,261,509
Administrative & General (Allocated)	76,204	76,204	110,033	93,660	119,853	120,763	145,900	145,900	145,900	145,900	145,900	145,900	1,472,116	1,750,798
Generation Services Shared	17,641	17,641	33,145	22,525	27,068	23,771	42,559	42,559	42,559	42,559	42,559	42,559	397,147	510,711
Total O&M Cost	5,463,212	4,274,346	4,485,496	4,545,070	5,600,107	7,694,161	4,952,972	4,549,442	4,659,275	3,088,669	4,891,230	4,942,487	59,146,469	64,717,392
Debt Service	2,211,514	2,211,516	2,211,511	2,211,516	1,652,233	2,211,513	2,163,002	2,163,002	2,163,002	2,163,002	2,163,002	2,163,002	25,687,818	25,956,029
Revenues	5,746,023	4,019,075	4,330,249	4,051,388	4,422,375	7,475,000	4,750,045	4,878,665	4,534,105	4,681,605	4,170,665	3,960,625	57,019,818	69,914,564
ISO Energy Sales (estimated)	5,746,023	4,019,075	4,327,698	4,051,388	4,422,375	7,475,000	4,651,560	4,780,180	4,435,620	4,583,120	4,072,180	3,862,140	56,426,358	67,624,524
Ancillary Services Sales							98,485	98,485	98,485	98,485	98,485	98,485	590,909	2,290,040
Other Income	0	0	2,551	0	0	0	0	0	0	0	0	0	2,551	0
Net	(\$1,928,703)	(\$2,466,787)	(\$2,366,758)	(\$2,705,199)	(\$2,829,966)	(\$2,430,674)	(\$2,365,930)	(\$1,833,780)	(\$2,288,173)	(\$570,067)	(\$2,883,567)	(\$3,144,865)	(\$27,814,468)	(\$20,758,857)



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LEC Treasurer's Report

AGENDA ITEM NO.: _____

Date: February 5, 2014
To: LEC Project Participant Committee
Subject: Treasurer's Report for the Month Ended January 31, 2014

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

Cash - At month end cash totaled \$0.

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

Investments - The carrying value of the LEC's investment portfolio totaled \$31,457,407 at month end. The current market value of the portfolio totaled \$31,458,567.

The overall portfolio had a combined weighted average interest rate of 0.252% with a bond equivalent yield (yield to maturity) of 0.261%. Investments with a maturity greater than one year totaled \$11,368,000. January maturities totaled \$3 million. During the month \$4 million was invested.

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

Interest Rates - During the month, rates on 90 day T-Bills decreased 3 basis points (from 0.07% to 0.04%) and rates on one year T-Bills decreased 2 basis points (from 0.13% to 0.11%).

To the best of my knowledge and belief, all securities held by LEC as of February 10, 2014, are in compliance with the Agency's investment policy. There are adequate cash flow and investment maturities to meet next month's cash requirements.

Environmental Analysis

The Treasurer's report will not result in a direct or reasonably foreseeable indirect change in the physical environment and is therefore not a "project" for purposes of Section 21065 of the California Environmental Quality Act. No environmental review is necessary.

Respectfully submitted,

DONNA STEVENER
Assistant General Manager/CFO
Administrative Services/Finance

Prepared by:

KEVIN W. WALLACE
Treasurer-Controller

Attachments

LODI ENERGY CENTER

TREASURER'S REPORT

JANUARY 31, 2014

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DETAIL REPORT OF INVESTMENTS	APPENDIX

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

	CASH	INVESTMENTS	TOTAL	PERCENT	INVESTMENTS at MARKET
MANDATORY FUNDS					
Construction Revolving	\$ -	\$ 243,215	\$ 243,215	0.773%	\$ 243,215
Debt Service Account	-	8,777,980	8,777,980	27.904%	8,778,513
Debt Service Reserve	-	11,735,863	11,735,863	37.307%	11,731,682
O & M Reserve	-	10,635,153	10,635,153	33.808%	10,639,962
	-	31,392,212	31,392,212	99.793%	31,393,372
ADDITIONAL PROJECT FUNDS					
GHG Cash Account	-	65,195	65,195	0.207%	65,195
	\$ -	\$ 31,457,407	\$ 31,457,407	100.000%	\$ 31,458,567

NOTE A -Investment amounts shown at book carrying value.

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

	RECEIPTS			EXPENDITURES			CASH
	OPS/CONSTR	INTEREST (NOTE B)	INVESTMENTS (NOTE A)	OPS/CONSTR	INVESTMENTS (NOTE B)	INTER-COMPANY/ FUND TRANSFERS	INCREASE / (DECREASE)
MANDATORY FUNDS							
Construction Revolving	\$ -	\$ 1,318	\$ 455,586	\$ -	\$ -	\$ (456,904)	\$ -
Debt Service Account	-	25	2,261,594	-	(4,473,136)	2,211,517	-
Debt Service Reserve	-	86	-	-	(86)	-	-
O & M Reserve	-	772	-	-	(772)	-	-
	-	2,201	2,717,180	-	(4,473,994)	1,754,613	-
ADDITIONAL PROJECT FUNDS							
GHG Cash Account	-	41	-	-	(1,946)	1,905	-
TOTAL	\$ -	\$ 2,242	\$ 2,717,180	\$ -	\$ (4,475,940)	\$ 1,756,518	\$ -

NOTE A -Investment amounts shown at book carrying value.

NOTE B -Net of accrued interest purchased on investments.

Northern California Power Agency/Lodi Energy Center
Treasurer's Report
Investment Activity Summary
December 31, 2013

	PURCHASED	SOLD OR MATURED	(NON-CASH) DISC/(PREM) AMORT	(NON-CASH) GAIN/(LOSS) ON SALE	INVESTMENTS	
					TRANSFERS	INCREASE / (DECREASE)
MANDATORY FUNDS						
Construction Revolving		\$ (455,586)	\$ -	\$ -	\$ -	\$ (455,586)
Debt Service Account	4,473,136	(2,261,594)	435	-	-	2,211,978
Debt Service Reserve	86			-		86
O & M Reserve	772		926	-		1,698
	<u>4,473,994</u>	<u>(2,717,180)</u>	<u>1,361</u>	<u>-</u>	<u>-</u>	<u>1,758,176</u>
ADDITIONAL PROJECT FUNDS						
GHG Cash Account	1,946		-	-		1,946
TOTAL	<u>\$ 4,475,940</u>	<u>\$ (2,717,180)</u>	<u>\$ 1,361</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,760,121</u>

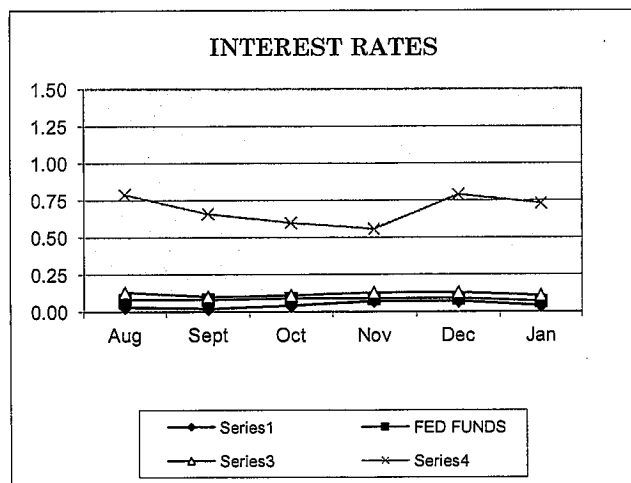
Less Non- Cash Activity	
Disc/(Prem) Amortization & Gain/(Loss) on Sale	(1,361)
Net Change in Investment --Before Non-Cash Activity	<u>\$ 1,758,760</u>

NOTE A -Investment amounts shown at book carrying value.

**NORTHERN CALIFORNIA POWER AGENCY
LODI ENERGY CENTER
INTEREST RATE/YIELD ANALYSIS
JANUARY 31, 2013**

	<u>WEIGHTED AVERAGE INTEREST RATE</u>	<u>BOND EQUIVALENT YIELD</u>
OVERALL COMBINED	<u><u>0.252%</u></u>	<u><u>0.261%</u></u>
<u>Construction Revolving Acct</u>	0.254%	0.254%
<u>Funds:</u>		
Debt Service Account	0.069%	0.069%
Debt Service Reserve	0.399%	0.399%
O & M Reserve	0.241%	0.268%
GHG Cash Account	0.254%	0.254%

KEY INTEREST RATES		
	<u>CURRENT</u>	<u>PRIOR YEAR</u>
Fed Fds (Ovrnight)	0.07%	0.14%
T-Bills (90da.)	0.04%	0.07%
Agency Disc (90da.)	0.03%	0.10%
T-Bills (1yr.)	0.11%	0.15%
Agency Disc (1yr.)	0.13%	0.17%
T-Notes (3yr.)	0.73%	0.42%



Lodi Energy Center
Total Portfolio
Investment Maturities Analysis
January 31, 2014

Type	0-7 Days	8-90 Days	91-180 Days	181-270 Days	271-360 Days	1-5 Years	5-10 Years	Total	Percent
US Government Agencies	\$0	\$3,001	\$11,781	\$632	\$0	\$11,368	\$0	\$26,782	85.11%
US Bank Trust Money Market	3,370							3,370	10.71%
Investment Trusts (LAIF)	1,317							1,317	4.18%
U.S.Treasury Market Acct. *	0							0	0.00%
U.S.Treasury Bill								0	0.00%
Certificates of Deposit		0						0	0.00%
Total Dollars	\$4,686	\$3,001	\$11,781	\$632	\$0	\$11,368	\$0	\$31,468	100.00%
Total Percents	14.89%	9.54%	37.44%	2.01%	0.00%	36.13%	0.00%	100.00%	

Investment are shown at Face Value, in thousands.

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

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

NORTHERN CALIFORNIA POWER AGENCY

Detail Report Of Investments

APPENDIX

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



Northern California Power Agency
Treasurer's Report
01/31/2014

LEC Construction Revolving

Issuer	Trustee / Custodian	Stated Value	Interest Rate	Purchase Date	Purchased Price	Maturity Date	Days to Maturity	Bond* Equiv Yield	Market Value	CUSIP	Investment #	Carrying Value
Local Agency Investm		243,215	0.254	08/06/2012	243,215		1	0.254	243,215	SYS70040	70040	243,215
Fund Total and Average		\$ 243,215	0.254		\$ 243,215		1	0.254	\$ 243,215			\$ 243,215
GRAND TOTALS:		\$ 243,215	0.254		\$ 243,215		1	0.254	\$ 243,215.			\$ 243,215

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

Current Market Value is based on prices from Trustee/ Custodian Statements or bid prices from the Wall Street Journal as of 01/31/2014



Northern California Power Agency
Treasurer's Report
01/31/2014

LEC Issue#1 2010A DS Fund

Issuer	Trustee / Custodian	Stated Value	Interest Rate	Purchase Date	Purchased Price	Maturity Date	Days to Maturity	Bond* Equiv Yield	Market Value	CUSIP	Investment #	Carrying Value
US Bank Trust	USB	752	0.100		752		1	0.100	752	SYS79003	79003	752
Federal Home Loan Mt	USB	1,387,000	0.090	10/25/2013	1,386,248	05/30/2014	118	0.091	1,386,778	313397XL0	26057	1,386,591
Federal Home Loan Ba	USB	952,000	0.085	12/03/2013	951,593	06/02/2014	121	0.086	951,838	313385XP6	26071	951,728
Federal Home Loan Ba	USB	693,000	0.059	01/06/2014	692,830	06/02/2014	121	0.060	692,882	313385XP6	26076	692,860
Federal Home Loan Ba	USB	693,000	0.040	01/27/2014	692,903	06/02/2014	121	0.040	692,882	313385XP6	26090	692,907
Fund Total and Average		\$ 3,725,752	0.074		\$ 3,724,326		120	0.075	\$ 3,725,132			\$ 3,724,838

LEC Issue #1 2010B DS Fund

US Bank Trust	USB	269	0.100		269		1	0.100	269	SYS79004	79004	269
Federal Home Loan Ba	USB	766,000	0.060	01/06/2014	765,812	06/02/2014	121	0.060	765,870	313385XP6	26077	765,846
Federal Home Loan Ba	USB	733,000	0.040	01/27/2014	732,897	06/02/2014	121	0.040	732,875	313385XP6	26091	732,901
Fund Total and Average		\$ 1,499,269	0.050		\$ 1,498,978		121	0.051	\$ 1,499,014			\$ 1,499,016

LEC Issue #2 2010A DS Fund

US Bank Trust	USB	527	0.100		527		1	0.100	527	SYS79011	79011	527
Federal Home Loan Mt	USB	870,000	0.089	10/25/2013	869,528	05/30/2014	118	0.091	869,861	313397XL0	26058	869,743
Federal Home Loan Ba	USB	1,095,000	0.085	12/03/2013	1,094,532	06/02/2014	121	0.086	1,094,814	313385XP6	26072	1,094,687
Federal Home Loan Ba	USB	435,000	0.059	01/06/2014	434,893	06/02/2014	121	0.060	434,926	313385XP6	26078	434,912
Federal Home Loan Ba	USB	434,000	0.040	01/27/2014	433,939	06/02/2014	121	0.040	433,926	313385XP6	26092	433,942
Fund Total and Average		\$ 2,834,527	0.076		\$ 2,833,419		120	0.077	\$ 2,834,054			\$ 2,833,811

LEC Issue #2 2010B DS Fund

US Bank Trust	USB	436	0.100		436		1	0.100	436	SYS79012	79012	436
Federal Home Loan Ba	USB	368,000	0.060	01/06/2014	367,910	06/02/2014	121	0.060	367,937	313385XP6	26079	367,926
Federal Home Loan Ba	USB	352,000	0.040	01/27/2014	351,951	06/02/2014	121	0.040	351,940	313385XP6	26093	351,953
Fund Total and Average		\$ 720,436	0.050		\$ 720,297		121	0.051	\$ 720,313			\$ 720,315

GRAND TOTALS:	\$	8,779,984	0.069	\$	8,777,020	120	0.069	\$	8,778,513.	\$	8,777,980
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*Bond Equivalent Yield to Maturity is shown based on a 365 day year to provide a basis for comparison between all types.
Investments with less than 6 months to maturity use an approximate method, all others use an exact method.

Current Market Value is based on prices from Trustee/ Custodian Statements or bid prices from the Wall Street Journal as of 01/31/2014



Northern California Power Agency
Treasurer's Report
01/31/2014

LEC Issue #1 2010 DSR Fund

Issuer	Trustee / Custodian	Stated Value	Interest Rate	Purchase Date	Purchased Price	Maturity Date	Days to Maturity	Bond* Equiv Yield	Market Value	CUSIP	Investment #	Carrying Value
US Bank Trust	USB	21,524	0.100		21,524		1	0.100	21,524	SYS79005	79005	21,524
Federal National Mtg	USB	8,368,000	0.520	05/30/2013	8,368,000	05/27/2016	846	0.520	8,363,816	3135G0XU2	26020	8,368,000
Fund Total and Average		\$ 8,389,524	0.519		\$ 8,389,524		844	0.519	\$ 8,385,340			\$ 8,389,524

LEC Iss#1 2010B BABS Subs Resv

US Bank Trust	USB	2,260,241	0.100	07/01/2012	2,260,241		1	0.100	2,260,241	SYS79006	79006	2,260,241
Fund Total and Average		\$ 2,260,241	0.100		\$ 2,260,241		1	0.100	\$ 2,260,241			\$ 2,260,241

LEC Issue #1 2010 COI Acct

US Bank Trust	USB	2	0.100		2		1	0.100	2	SYS79008	79008	2
Fund Total and Average		\$ 2	0.100		\$ 2		1	0.100	\$ 2			\$ 2

LEC Issue #2 2010B DSR BABS

US Bank Trust	USB	1,086,099	0.100		1,086,099		1	0.100	1,086,099	SYS79013	79013	1,086,099
Fund Total and Average		\$ 1,086,099	0.100		\$ 1,086,099		1	0.100	\$ 1,086,099			\$ 1,086,099
GRAND TOTALS:		\$ 11,735,866	0.399		\$ 11,735,866		604	0.399	\$ 11,731,682.			\$ 11,735,866

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

Current Market Value is based on prices from Trustee/ Custodian Statements or bid prices from the Wall Street Journal as of 01/31/2014

Investment # 26020 - FNMA Structured Note .52% thru 11/27/13; Callable anytime



Northern California Power Agency
Treasurer's Report
01/31/2014

LEC O & M Reserve

Issuer	Trustee / Custodian	Stated Value	Interest Rate	Purchase Date	Purchased Price	Maturity Date	Days to Maturity	Bond* Equiv Yield	Market Value	CUSIP	Investment #	Carrying Value
Local Agency Investm		1,008,094	0.254	06/30/2013	1,008,094		1	0.254	1,008,094	SYS70047	70047	1,008,094
Union Bank of Califo	UBOC	0	0.002	07/18/2013	0		1	0.002	0	SYS70041	70041	0
Federal National Mtg	UBOC	3,001,000	0.100	07/18/2013	2,999,199	02/19/2014	18	0.101	3,000,970	313589TG8	26027	3,000,850
Federal National Mtg	UBOC	3,003,000	0.140	07/18/2013	2,999,006	06/25/2014	144	0.142	3,002,399	313589YN7	26028	3,001,318
Federal Home Loan Mt	UBOC	632,000	0.140	10/31/2013	631,127	10/21/2014	262	0.142	631,589	313397L41	26066	631,356
Federal Home Loan Mt	UBOC	3,000,000	0.500	10/25/2013	2,992,800	06/06/2016	856	0.592	2,996,910	3134G46A1	26052	2,993,535
Fund Total and Average		\$ 10,644,094	0.241		\$ 10,630,226		302	0.268	\$ 10,639,962			\$ 10,635,153
GRAND TOTALS:		\$ 10,644,094	0.241		\$ 10,630,226		302	0.268	\$ 10,639,962.			\$ 10,635,153

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

Current Market Value is based on prices from Trustee/ Custodian Statements or bid prices from the Wall Street Journal as of 01/31/2014

Investment # 26052 - FHLMT Structured Note .50%; Callable on 12/06/13, Quarterly thereafter.



Northern California Power Agency
Treasurer's Report
01/31/2014

LEC GHG Auction Acct

Issuer	Trustee / Custodian	Stated Value	Interest Rate	Purchase Date	Purchased Price	Maturity Date	Days to Maturity	Bond* Equiv Yield	Market Value	CUSIP	Investment #	Carrying Value
Local Agency Investm		65,195	0.254	10/19/2012	65,195		1	0.254	65,195	SYS70046	70046	65,195
Fund Total and Average		\$ 65,195	0.254		\$ 65,195		1	0.254	\$ 65,195			\$ 65,195
GRAND TOTALS:		\$ 65,195	0.254		\$ 65,195		1	0.254	\$ 65,195.			\$ 65,195

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

Current Market Value is based on prices from Trustee/ Custodian Statements or bid prices from the Wall Street Journal as of 01/31/2014



651 Commerce Drive
Roseville, CA 95678

phone (916) 781-3636
fax (916) 783-7693
web www.ncpa.com

LEC Financial Reports

AGENDA ITEM NO.: _____

Date: February 5, 2014

Subject: January 31, 2014 Financial Reports (Unaudited)

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

ASSETS	January 31	
	2014	2013 (Note A)
CURRENT ASSETS		
Cash and cash equivalents	\$ 65,155	\$ 15,281
Interest receivable	1,749	319
Supplies inventory	1,045,368	230,459
Prepaid insurance	781,761	639,899
Due from (to) Agency, net	16,900,510	4,674,632
TOTAL CURRENT ASSETS	18,794,543	5,560,590
RESTRICTED ASSETS		
Cash and cash equivalents	241,898	3,726,984
Investments	31,146,752	32,903,329
Interest receivable	7,113	19,534
TOTAL RESTRICTED ASSETS	31,395,763	36,649,847
ELECTRIC PLANT		
Electric plant in service	423,354,890	427,634,913
Less: accumulated depreciation	(15,835,096)	
TOTAL ELECTRIC PLANT	407,519,794	427,634,913
OTHER ASSETS		
Regulatory assets	9,240,561	
Unamortized debt issuance expenses	3,519,913	3,601,601
TOTAL OTHER ASSETS	12,760,474	3,601,601
TOTAL ASSETS	\$ 470,470,574	\$ 473,446,951

Note A:

Commercial operation began November 27, 2012. Prior to commercial operation, all costs of construction, test start-up and financing were capitalized.

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

	January 31	
	2014	2013 (Note A)
LIABILITIES & NET POSITION		
CURRENT LIABILITIES		
Accounts and retentions payable	\$ 5,349,267	\$ 6,192,660
Operating reserves	11,230,063	
Current portion of long-term debt	8,640,000	
Accrued interest payable	2,964,305	4,134,176
TOTAL CURRENT LIABILITIES	28,183,635	10,326,836
NON-CURRENT LIABILITIES		
Other deposits	65,099	2,091,848
Regulatory liability	45,315,610	49,969,706
Long-term debt, net	382,298,299	400,414,967
TOTAL NON-CURRENT LIABILITIES	427,679,008	452,476,521
TOTAL LIABILITIES	455,862,643	462,803,357
NET POSITION		
Invested in capital assets, net of related debt	(6,277,598)	(5,802,844)
Restricted	18,670,316	17,078,508
Unrestricted	2,215,213	(632,070)
TOTAL NET POSITION	14,607,931	10,643,594
TOTAL LIABILITIES AND NET POSITION	\$ 470,470,574	\$ 473,446,951

Note A:

Commercial operation began November 27, 2012. Prior to commercial operation, all costs of construction, test start-up and financing were capitalized.

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

	Seven Months Ended January 31	
	2014	2013 (Note A)
SALES FOR RESALE		
Participants	\$ 22,085,960	\$ 23,791,489
Other	36,502,943	3,733,749
TOTAL SALES FOR RESALE	58,588,903	27,525,238
OPERATING EXPENSES		
Intercompany (sales) purchases	263,327	-
Transmission	452,615	3,602,945
Operations	26,153,584	7,283,281
Depreciation	7,299,222	
Administrative and general	3,415,632	546,788
Maintenance expenses	5,153,800	1,077,912
TOTAL OPERATING EXPENSES	42,738,180	12,510,926
NET OPERATING REVENUES	15,850,723	15,014,312
OTHER REVENUES (EXPENSES)		
Interest expense	(9,225,199)	(10,098,427)
Interest income	43,538	106,393
Capitalized Interest	-	6,257,259
Amortizations	(44,484)	
Other	1,237,105	246,483
TOTAL OTHER REVENUES (EXPENSES)	(7,989,040)	(3,488,292)
FUTURE RECOVERABLE/(REFUNDABLE) AMOUNTS	2,452,848	(882,426)
REFUNDS TO PARTICIPANTS	(1,185,594)	
INCREASE IN NET POSITION	9,128,937	10,643,594
NET POSITION		
Beginning of year	5,478,994	
End of period	\$ 14,607,931	\$ 10,643,594
	-	-

Note A:

Commercial operation began November 27, 2012. Prior to commercial operation, all costs of construction, test start-up and financing were capitalized.

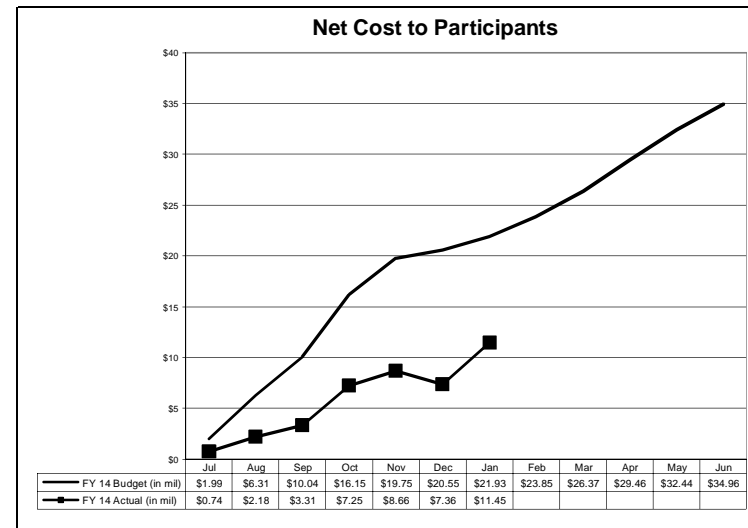
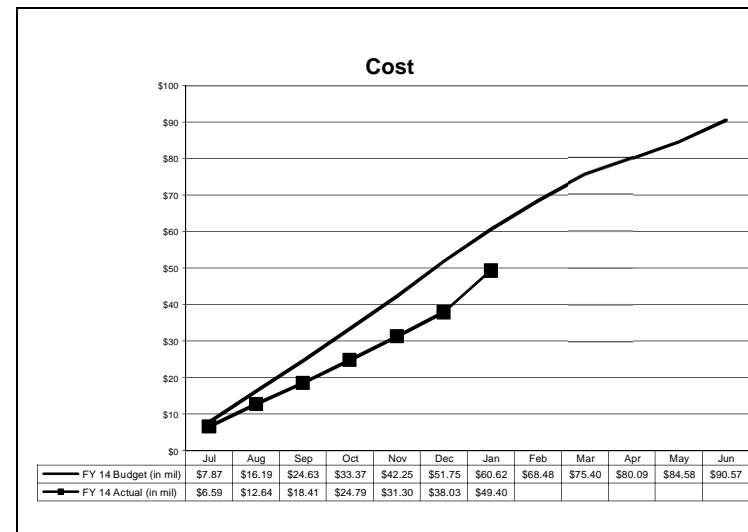
**Lodi Energy Center
FY 2014 Operating Costs
As of January 31, 2014**

	Annual Budget	Actual	Remaining	YTD % Remaining	Notes
Routine O&M Costs					
Operations	\$ 1,300,738	\$ 621,252	\$ 679,486	52%	E
Maintenance	3,752,752	2,513,794	1,238,958	33%	
Administration	1,214,657	687,948	526,709	43%	B
Mandatory Costs	456,000	308,637	147,363	32%	
Inventory Stock	400,000	54,588	345,412	86%	
Routine O&M Costs without Labor	7,124,147	4,186,219	2,937,928	41%	
Labor	4,227,098	2,615,151	1,611,947	38%	
Total Routine O&M Cost	11,351,245	6,801,370	4,549,875	40%	
Other Costs					
Fuel	41,400,588	24,566,260	16,834,328	41%	C
AB32 GHG Offset	5,650,224	-	5,650,224	100%	
CA ISO Charges	528,800	452,615	76,185	14%	D
Debt Service	25,956,029	14,921,318	11,034,711	43%	
Other Costs	2,309,776	1,538,977	770,799	33%	F
Administrative & General (Allocated)	1,750,798	685,189	1,065,609	61%	
Generation Services Shared	510,711	141,790	368,921	72%	
Maintenance Reserve	397,250	231,729	165,521	42%	
Total O&M Cost	89,855,421	49,339,248	40,516,173	45%	
Projects					
Operations & Maintenance	168,000	65,487	102,513	61%	
Capital	550,000	-	550,000	100%	
Total Capital Budget	718,000	65,487	652,513	91%	
Annual Cost	90,573,421	49,404,735	41,168,686	45%	
Less: Third Party Revenue					
Interest Income	73,258	15,256	58,002	79%	A G
ISO Energy Sales	53,249,904	35,678,976	17,570,928	33%	
Ancillary Services Sales	2,290,040	823,967	1,466,073	64%	
Transfer Gas Credit	-	651,842	(651,842)	N/A	
ERCS Sale	-	781,621	(781,621)	N/A	
	55,613,202	37,951,662	17,661,540	32%	
Net Annual Cost to Participants	\$ 34,960,219	\$ 11,453,073	\$ 23,507,146	67%	

Net Cumulative Generation (MWh)	1,354,957	745,627
Total O&M Cost Per MWh	\$ 66.32	\$ 66.17
Net Annual Cost Per MWh	\$ 25.80	\$ 15.36

Footnotes:

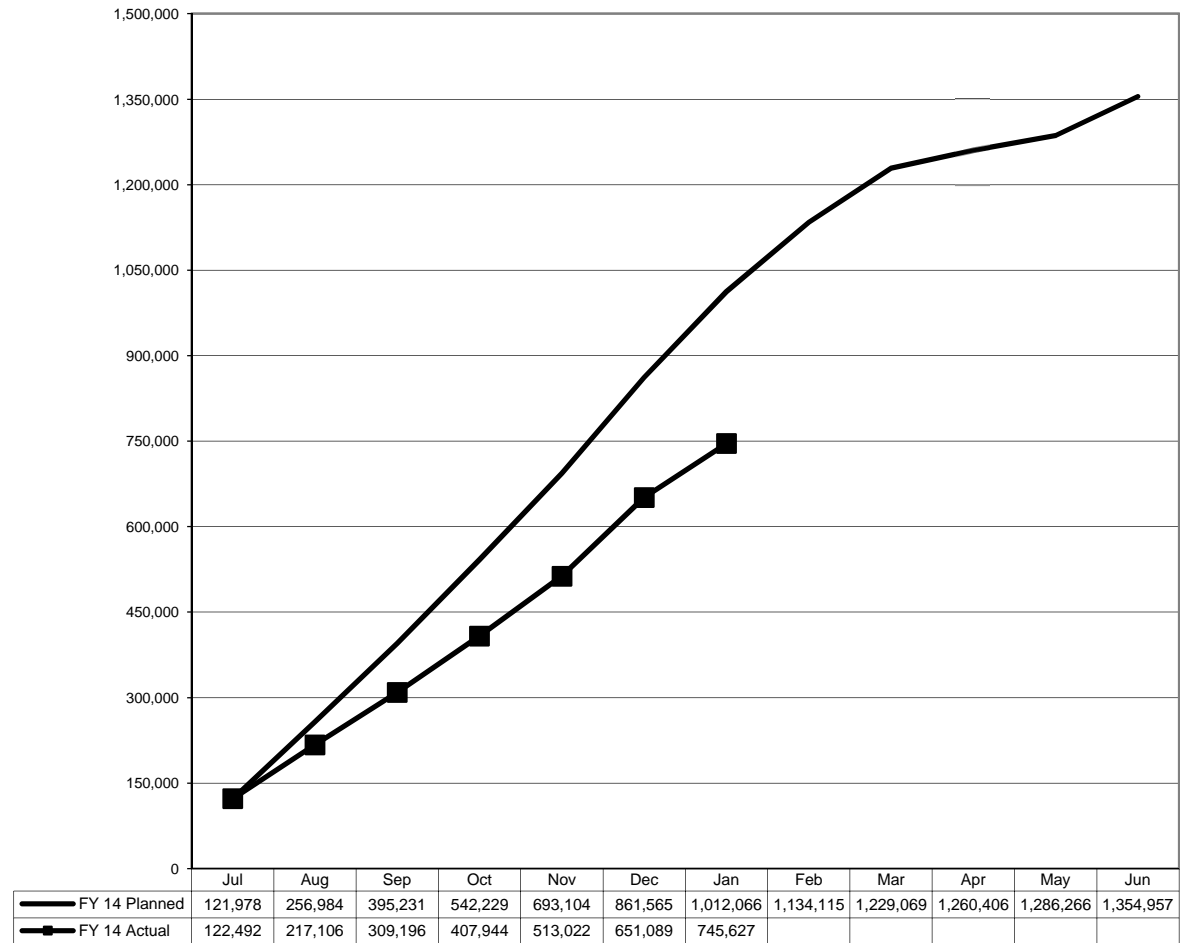
- A** - Represents credits to participants who delivered gas to the project. These credits were not budgeted for FY 2014.
- B** - Payments for hazardous waste fee and air resources board fee. Costs are expected to normalize during the year.
- C** - The project did not purchase any GHG Allowances as participants have delivered sufficient allowances through December 31, 2013.
- D** - CA ISO Charges are greater than anticipated primarily due to unplanned Regulation Energy and Resource Adequacy Standard Capacity charges.
- E** - Maintenance Costs are higher than anticipated due to charges for boiler maintenance and maintenance materials and supplies.
- F** - Other Costs are higher for the period primarily due to payment of the annual insurance premium. Costs are expected to levelize during the year.
- G** - Proceeds from the Sale of ERCS



Annual Budget LEC Generation Analysis Planned vs. Actual FY 2014

In MWh

Lodi Energy Center



NCPA All Resources Bill LEC GHG Obligation Detail Report (Cumulative) February 2014																
IDENTIFIER	AZUSA	BART	BIG	CDWR	GRI	HEA	LOD	LOM	MID	PLU	PWRPA	SNCL	UKI	TOTAL	Charge Code	Source
Allocation Percentages																
Generation Entitlement Share %	2.7857%	6.6000%	0.2679%	33.5000%	1.9643%	1.6428%	9.5000%	2.0357%	10.7143%	0.7857%	2.6679%	25.7500%	1.7857%	100%		MARS
Obligation Accounts																
Current MT Compliance Obligation (MTO) Balance (MT)	14,609	34,611	1,405	175,679	10,301	8,615	49,820	10,676	56,188	4,120	13,991	135,037	9,364	524,416		derived
Current MT Compliance Instrument Account (MTA) Balance (MT)	15,000	46,200	1,739	250,000	12,547	9,120	54,978	14,500	70,000	4,800	18,097	140,000	10,500	647,481		derived
MTA Shortfall (MT)	(391)	(11,589)	(334)	(74,321)	(2,246)	(505)	(5,158)	(3,825)	(13,812)	(680)	(4,106)	(4,963)	(1,136)	(123,065)	MTA SHORTFALL	Derived
Monthly GHG Price \$/MT	11.98	11.98	11.98	11.98	11.98	11.98	11.98	11.98	11.98	11.98	11.98	11.98	11.98	11.98	MTA SHORTFALL	ICE Index
GHG Minimum Cash Compliance Obligation (\$)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	MTA SHORTFALL	Derived
Current Month CCA Balance (\$)*	60,991	0	143	0	1,103	0	0	0	0	0	0	0	2,652	64,889	CCA BALANCE	Accounting
Net GHG Obligation (\$)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	NET GHG OBLIG	Derived

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

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

IDENTIFIER	Actual													Compliance Year 2013	Charge Code	Source
	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	Total		
Energy (MWh)	0	82,787	101,925	128,167	134,284	32,545	80,153	122,492	94,615	92,091	98,739	105,078	138,068	1,210,944		Forecast/Meter
Gas Schedule (MMBtu)	0	593,484	723,038	894,657	952,529	229,724	579,650	870,331	673,965	650,250	692,396	738,008	965,292	8,563,324		Forecast/Meter
Emissions Factor (MT/MMBtu)	0	0.053	0.053	0.053	0.053	0.053	0.053	0.053	0.053	0.053	0.053	0.053	0.053	0.053		MARS
Monthly MT Emissions (MT)	0	31,455	38,321	47,417	50,484	12,175	30,721	46,128	35,720	34,463	36,697	39,114	51,160	453,856		derived
Cumulative MT Obligation (MT)	0	31,455	69,776	117,193	167,677	179,852	210,573	256,701	292,421	326,884	363,581	402,696	453,856	453,856		derived
Compliance Instrument Participant Transfers (to LEC)																
Auction Allowances	92,695	5,350	0	13,644	105,000	50,632	30,628	1,600	102,200	12,594	0	0	46,290	460,633		CITSS
Secondary Market Allowances	0	0	0	0	0	0	0	0	0	0	0	0	0	0		CITSS
Reserve Sale Allowances	0	0	0	0	0	0	0	0	0	0	0	0	0	0		CITSS
Offsets	0	0	0	0	0	0	0	0	0	0	0	0	0	0		CITSS
Total Compliance Instrument Participant Transfers (MT)	92,695	5,350	0	13,644	105,000	50,632	30,628	1,600	102,200	12,594	0	0	46,290	460,633		
NCPA Compliance Instrument Purchases (for LEC)																
Auction Purchases	47,000	0	0	0	0	0	0	0	0	0	0	0	0	47,000		CITSS
Secondary Market Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0	0		CITSS
Reserve Sale Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0	0		CITSS
Offset Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0	0		CITSS
Total NCPA Compliance Instrument Purchases (MT)	47,000	0	0	0	0	0	0	0	0	0	0	0	0	47,000		
Compliance Instruments Surrendered to CARB (MT)	0	0	0	0	0	0	0	0	0	0	0	0	0	0		CITSS
Total Monthly Activity (MT)	139,695	5,350	0	13,644	105,000	50,632	30,628	1,600	102,200	12,594	0	0	46,290	507,633		derived
Cumulative MT Account Balance [MTA] (MT)	139,695	145,045	145,045	158,689	263,689	314,321	344,949	346,549	448,749	461,343	461,343	461,343	507,633	507,633		derived
MTA Shortfall (MT)	(139,695)	(113,590)	(75,269)	(41,496)	(96,012)	(134,469)	(134,376)	(89,848)	(156,328)	(134,459)	(97,762)	(58,647)	(53,777)	(53,777)	MTA SHORTFALL	derived

2014 NCPA All Resources Bill LEC GHG Compliance Instrument Detail Report
for the Lodi Energy Center

IDENTIFIER	Estimated												Compliance Year 2014	Cumulative Totals	Charge Code	Source
	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	Total	Total		
Energy (MWh)	94,538	95,651	106,773	103,992	103,992	100,100	122,492	94,615	92,091	98,739	73,883	76,346	1,163,211	2,374,155		Forecast/Meter
Gas Schedule (MMBtu)	661,766	669,555	747,410	727,946	727,946	700,697	857,444	662,305	644,637	691,173	517,181	534,420	8,142,479	16,705,803		Forecast/Meter
Emissions Factor (MT/MMBtu)	0.053	0.053	0.053	0.053	0.053	0.053	0.053	0.053	0.053	0.053	0.053	0.053				MARS
Monthly MT Emissions (MT)	35,074	35,486	39,613	38,581	38,581	37,137	45,445	35,102	34,166	36,632	27,411	28,324	431,551	885,408		derived
Cumulative MT Obligation (MT)	488,930	524,416	564,029	602,610	641,191	678,328	723,773	758,875	793,041	829,673	857,083	885,408		885,408		derived
Compliance Instrument Participant Transfers (to LEC)																
Auction Allowances	102,347	0	0	0	0	0	0	0	0	0	0	0	102,347	562,980		CITSS
Secondary Market Allowances	0	0	0	0	0	0	0	0	0	0	0	0	0	0		CITSS
Reserve Sale Allowances	0	0	0	0	0	0	0	0	0	0	0	0	0	0		CITSS
Offsets	0	0	0	0	0	0	0	0	0	0	0	0	0	0		CITSS
Total Compliance Instrument Participant Transfers (MT)	102,347	0	0	0	0	0	0	0	0	0	0	0	102,347	562,980		
NCPA Compliance Instrument Purchases (for LEC)																
Auction Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0	47,000		CITSS
Secondary Market Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0	0		CITSS
Reserve Sale Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0	0		CITSS
Offset Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0	0		CITSS
Total NCPA Compliance Instrument Purchases (MT)	0	0	0	0	0	0	0	0	0	0	0	0	0	47,000		
Compliance Instruments Surrendered to CARB (MT)	0	0	0	0	0	0	0	0	0	0	0	0	0	0		CITSS
Total Monthly Activity (MT)	102,347	0	0	0	0	0	0	0	0	0	0	0	102,347	609,980		derived
Cumulative MT Account Balance [MTA] (MT)	609,980	609,980	609,980	609,980	609,980	609,980	609,980	609,980	609,980	609,980	609,980	609,980		609,980		derived
MTA Shortfall (MT)	(121,050)	(85,564)	(45,951)	(7,370)	31,211	68,348	113,793	148,895	183,061	219,693	247,103	275,428		275,428	MTA SHORTFALL	derived

Forecast for July-December 2014 has not been updated.
Numbers are based on 2013 original forecast.



Lodi Energy Center Project Participant Committee

Staff Report

AGENDA ITEM NO.: 9

Date: February 10, 2014
To: Lodi Energy Center Project Participant Committee
Subject: Performance Contracting, Inc. Agreement for Scaffolding/Insulation Services – All NCPA Sites

Proposal

Approve a Multi-Task General Services Agreement with Performance Contracting, Inc. for an amount not-to-exceed \$700,000 over five years to be used for scaffolding/insulation services as needed at all NCPA Facilities.

Background

Various scaffolding and insulation services are required at the NCPA locations from time to time for operations and maintenance. Performance Contracting, Inc. is a provider of these services. NCPA has not yet used this vendor; however, NCPA would like to have this enabling agreement available in addition to other similar agreements currently in place with Ernie & Sons Scaffolding, Brand Energy Services, and Bayside Insulation & Construction.

Fiscal Impact

Total cost of the agreement is not-to-exceed \$700,000 over five years to be used out of NCPA approved budgets as services are rendered. Purchase orders referencing the terms and conditions of the Agreement will be issued following NCPA procurement policies and procedures.

Environmental Analysis

This activity would not result in a direct or reasonably foreseeable indirect change in the physical environment and is therefore not a “project” for purposes of Section 21065 the California Environmental Quality Act. No environmental review is necessary.

Recommendation

Staff recommends that the PPC pass a motion approving the Multi-Task General Services Agreement with Performance Contracting, Inc., with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$700,000 over five years.

Prepared by:

MELISSA C. PHILPOT
LEC Material Procurement/Warehouse Coordinator

Attachment: Multi-Task General Services Agreement with Performance Contracting, Inc.



**MULTI-TASK
GENERAL SERVICES AGREEMENT BETWEEN
THE NORTHERN CALIFORNIA POWER AGENCY AND
PERFORMANCE CONTRACTING, INC.**

This agreement for general services ("Agreement") is made by and between the Northern California Power Agency, a joint powers agency with its main office located at 651 Commerce Drive, Roseville, CA 95678-6420 ("Agency") and Performance Contracting, Inc., a corporation with its office located at 999 Canal Blvd., Suite B, Richmond, CA 94804 ("Contractor") (together sometimes referred to as the "Parties") as of _____, 2014 ("Effective Date") in Roseville, California.

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

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

Section 2. COMPENSATION. Agency hereby agrees to pay Contractor an amount **NOT TO EXCEED** seven hundred thousand dollars (\$700,000.00) for the Work, which shall include all fees, costs, expenses and other reimbursables, as set forth in Contractor's fee schedule, attached hereto and incorporated herein as Exhibit B. This dollar amount is not a guarantee that Agency will pay that full amount to the Contractor, but is merely a limit of potential Agency expenditures under this Agreement.

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

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

Invoices shall be sent to:

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

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

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

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

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

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

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

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

4.2 Commercial General and Automobile Liability Insurance.

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

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

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

4.3 Professional Liability Insurance. Intentionally left blank.

4.4 All Policies Requirements.

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

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

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

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

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

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

Section 5. INDEMNIFICATION AND CONTRACTOR'S RESPONSIBILITIES.

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

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

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

Section 6. STATUS OF CONTRACTOR.

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

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

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

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

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

Section 7. LEGAL REQUIREMENTS.

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

Section 8. TERMINATION AND MODIFICATION.

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

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

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

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

8.4.1 Immediately terminate the Agreement;

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

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

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

Section 9. KEEPING AND STATUS OF RECORDS.

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

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

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

9.4 Confidential Information and Disclosure.

- 9.4.1 **Confidential Information.** The term "Confidential Information", as used herein, shall mean any and all confidential, proprietary, or trade secret information, whether written, recorded, electronic, oral or otherwise, where the Confidential Information is made available in a tangible medium of expression and marked in a prominent location as confidential, proprietary and/or trade secret information. Confidential Information shall not include information that: (a) was already known to the Receiving Party or is otherwise a matter of public knowledge, (b) was disclosed to Receiving Party by a third party without violating any confidentiality agreement, (c) was independently developed by Receiving Party without reverse engineering, as evidenced by written records thereof, or (d) was not marked as confidential Information in accordance with this section.
- 9.4.2 **Non-Disclosure of Confidential Information.** During the term of this Agreement, either party may disclose ("The Disclosing Party") confidential Information to the other party ("the Receiving Party"). The Receiving Party: (a) shall hold the Disclosing Party's Confidential Information in confidence; and (b) shall take all reasonable steps to prevent any unauthorized possession, use, copying, transfer or disclosure of such Confidential Information.
- 9.4.3 **Permitted Disclosure.** Notwithstanding the foregoing, the following disclosures of Confidential Information are allowed. Receiving Party shall endeavor to provide prior written notice to Disclosing Party of any permitted disclosure made pursuant to Section 9.4.3.2 or 9.4.3.3. Disclosing Party may seek a protective order, including without limitation, a temporary restraining order to prevent or contest such permitted disclosure; provided, however, that Disclosing Party shall seek such remedies at its sole expense. Neither party shall have any liability for such permitted disclosures:
- 9.4.3.1 Disclosure to employees, agents, Contractors, contractors, subcontractors or other representatives of Receiving Party that have a need to know in connection with this Agreement.
- 9.4.3.2 Disclosure in response to a valid order of a court, government or regulatory agency or as may otherwise be required by law; and
- 9.4.3.3 Disclosure by Agency in response to a request pursuant to the California Public Records Act.
- 9.4.4 **Handling of Confidential Information.** Conclusion of Agreement. Receiving Party shall return to Disclosing Party or destroy Confidential Information (including all copies thereof) upon termination of this Agreement, if requested by Disclosing Party in writing. Notwithstanding the foregoing, the Receiving Party may retain

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

Section 10. PROJECT SITE.

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

Section 11. WARRANTY.

- 11.1 **Nature of Work.** In addition to any and all warranties provided or implied by law or public policy, Contractor warrants that all Work shall be free from defects in design and workmanship, and that Contractor shall perform all Work in accordance with applicable federal, state, and local laws, rules and regulations including engineering, construction and other codes and standards and prudent electrical utility standards, and in accordance with the terms of this Agreement.
- 11.2 **Deficiencies in Work.** In addition to all other rights and remedies which Agency may have, Agency shall have the right to require, and Contractor shall be obligated at its own expense to perform, all further Work which may be required to correct any deficiencies which result from Contractor's failure to perform any Work in accordance with the standards required by this Agreement. If during the term of this Agreement or the one (1) year period following completion of the Work, any equipment, supplies or other materials or Work used or provided by Contractor under this Agreement fails due to defects in material and/or workmanship or other breach of this Agreement, Contractor shall, upon any reasonable written notice from Agency, replace or repair the same to Agency's satisfaction.
- 11.3 **Assignment of Warranties.** Contractor hereby assigns to Agency all additional warranties, extended warranties, or benefits like warranties, such as insurance, provided by or reasonably obtainable from suppliers of equipment and material used in the Work.

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

- 12.1 Contractor is responsible for acquiring job hazard assessments as necessary to safely perform the Work and provide a copy to Agency upon request.
- 12.2 Contractor is responsible for providing all employee health and safety training and personal protective equipment in accordance with potential hazards that may be encountered in performance of the Work and provide copies of the certified training records upon request by Agency. Contractor shall be responsible for proper maintenance and/or disposal of their personal protective equipment and material handling equipment.
- 12.3 Contractor is responsible for ensuring that its lower-tier subcontractors are aware of and will comply with the requirements set forth herein.
- 12.4 Agency, or its representatives, may periodically monitor the safety performance of the Contractor performing the Work. Contractors and its subcontractors shall be required to comply with the safety and health obligations as established in the Agreement. Non-compliance with safety, health, or fire requirements may result in cessation of work

activities, until items in non-compliance are corrected. It is also expressly acknowledged, understood and agreed that no payment shall be due from Agency to Contractor under this Agreement at any time when, or for any Work performed when, Contractor is not in full compliance with this Section 12.

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

Section 13 MISCELLANEOUS PROVISIONS.

- 13.1 **Attorneys' Fees.** If a party to this Agreement brings any action, including an action for declaratory relief, to enforce or interpret the provision of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees in addition to any other relief to which that party may be entitled. The court may set such fees in the same action or in a separate action brought for that purpose.
- 13.2 **Venue.** In the event that either party brings any action against the other under this Agreement, the Parties agree that trial of such action shall be vested exclusively in the state courts of California in the County of Placer or in the United States District Court for the Eastern District of California.

- 13.3 **Severability.** If a court of competent jurisdiction finds or rules that any provision of this Agreement is invalid, void, or unenforceable, the provisions of this Agreement not so adjudged shall remain in full force and effect. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.
- 13.4 **No Implied Waiver of Breach.** The waiver of any breach of a specific provision of this Agreement does not constitute a waiver of any other breach of that term or any other term of this Agreement.
- 13.5 **Successors and Assigns.** The provisions of this Agreement shall inure to the benefit of and shall apply to and bind the successors and assigns of the Parties.
- 13.6 **Conflict of Interest.** Contractor may serve other clients, but none whose activities within the corporate limits of Agency or whose business, regardless of location, would place Contractor in a "conflict of interest," as that term is defined in the Political Reform Act, codified at California Government Code Section 81000 *et seq.*

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

- 13.7 **Contract Administrator.** This Agreement shall be administered by Ken Speer, Assistant General Manager, or his/her designee, who shall act as the Agency's representative. All correspondence shall be directed to or through the representative.
- 13.8 **Notices.** Any written notice to Contractor shall be sent to:

Performance Contracting, Inc.
Attn: Mike Grillo
999 Canal Blvd., Suite B
Richmond, CA 94804

Any written notice to Agency shall be sent to:

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

With a copy to:

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

- 13.9 **Professional Seal.** Where applicable in the determination of the Agency, the first page of a technical report, first page of design specifications, and each page of construction drawings shall be stamped/sealed and signed by the licensed professional responsible for the report/design preparation.
- 13.10 **Integration; Incorporation.** This Agreement, including all the exhibits attached hereto, represents the entire and integrated agreement between Agency and Contractor and supersedes all prior negotiations, representations, or agreements, either written or oral. All exhibits attached hereto are incorporated by reference herein.
- 13.11 **Alternative Dispute Resolution.** If any dispute arises between the Parties that cannot be settled after engaging in good faith negotiations, Agency and Contractor agree to resolve the dispute in accordance with the following:
- 13.11.1 Each party shall designate a senior management or executive level representative to negotiate any dispute;
- 13.11.2 The representatives shall attempt, through good faith negotiations, to resolve the dispute by any means within their authority.
- 13.11.3 If the issue remains unresolved after fifteen (15) days of good faith negotiations, the Parties shall attempt to resolve the disagreement by negotiation between legal counsel. If the above process fails, the Parties shall resolve any remaining disputes through mediation to expedite the resolution of the dispute.
- 13.11.4 The mediation process shall provide for the selection within fifteen (15) days by both Parties of a disinterested third person as mediator, shall be commenced within thirty (30) days and shall be concluded within fifteen (15) days from the commencement of the mediation.
- 13.11.5 The Parties shall equally bear the costs of any third party in any alternative dispute resolution process.
- 13.11.6 The alternative dispute resolution process is a material condition to this Agreement and must be exhausted as an administrative prior to either

Party initiating legal action. This alternative dispute resolution process is not intended to nor shall be construed to change the time periods for filing a claim or action specified by Government Code §§ 900 *et seq.*

- 13.12 **Controlling Provisions.** In the case of any conflict between the terms of this Agreement and the Exhibits hereto, and Contractor's Proposal (if any), the Agreement shall control. In the case of any conflict between the Exhibits hereto and the Contractor's Proposal, the Exhibits shall control.
- 13.13 **Counterparts.** This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one agreement.
- 13.14 **Construction of Agreement.** Each party hereto has had an equivalent opportunity to participate in the drafting of the Agreement and/or to consult with legal counsel. Therefore, the usual construction of an agreement against the drafting party shall not apply hereto.
- 13.15 **No Third Party Beneficiaries.** This Agreement is made solely for the benefit of the parties hereto, with no intent to benefit any non-signator third parties.

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

NORTHERN CALIFORNIA POWER AGENCY

PERFORMANCE CONTRACTING, INC.

Date _____

Date _____

JAMES H. POPE, General Manager

TODD FORBUSH, General Manager

Attest:

Assistant Secretary of the Commission
Approved as to Form:

Assistant General Counsel, Ruthann G. Ziegler

EXHIBIT A

SCOPE OF WORK

Performance Contracting, Inc. ("Contractor") shall provide scaffolding and insulation services as requested by the Northern California Power Agency ("Agency").

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

- Assemble, safety tag scaffold, inspect scaffold (daily inspections if necessary), modify scaffold structures, disassemble scaffold throughout facilities for plant outages and maintenance.
- Contractor shall coordinate directly with Agency and at the sole discretion of Agency's on-site manager(s) or Superintendent; Contractor shall serve as Scaffold Project Manager. Scaffold Project Manager responsibilities shall include inspection and tracking of all scaffold materials being stored and erected to ensure scaffold quality is within the Cal-OSHA requirements and Industry Standard Guidelines.
- Contractor shall provide insulation for gas turbine and piping throughout facilities for plant outages and maintenance.

EXHIBIT B

COMPENSATION SCHEDULE AND HOURLY FEES

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

SCAFFOLDING:

T&M rates consist of an all-inclusive rate which includes labor, rental (first 28 days), trucking cost, safety, and all consumables, additional rental after the first 28 days will be based off PCI rental rates which are pro-rated daily.

T&M Rates (if applicable) as follows:

INSULATION

Per union Contract: Effective through 8-31-14.

Straight Time: \$88.21 per man hour.

Overtime: \$117.75 per man hour.

Double Time: \$147.29 per man hour.

Straight Time (ST): The first 8 hours of a scheduled shift, Monday through Friday.

Overtime (1 ½ x ST): All hours worked past the scheduled shift, Monday through Friday and Saturdays.

Double-time: All hours past the 1st 12, Holidays and Sundays.

SCAFFOLD

Per union Contract: Effective through 6-30-14.

Straight Time: \$80.00 per man hour.

Overtime: \$105.00 per man hour.

Double Time: \$128.00 per man hour.

Straight Time (ST): The first 8 hours of a scheduled shift, Monday through Friday.

Overtime (1 ½ x ST): All hours worked past the scheduled shift, Monday through Friday and Saturdays.

Double-time: All hours past the 1st 12, Holidays and Sundays.

Scaffold rental shall be charged as attached on Rental Rate Schedule.

NOTE: Unions grant a merit increase annually, at that time (30 days prior) Contractor will request, in writing, to pass through the associated mark-up to Agency.

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

(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.

2232726.3



Lodi Energy Center Project Participant Committee

Staff Report

AGENDA ITEM NO.: 10

Date: February 10, 2014
To: Lodi Energy Center Project Participant Committee
Subject: Airgas USA, LLC Agreement for Purchase of CEMS gases – LEC / CT2

Proposal

Approve a Multi-Task Materials and Supplies Purchase Agreement with Airgas USA, LLC for an amount not-to-exceed \$500,000 over five years to be used for CEMS gases as needed at the Lodi Energy Center (LEC) and Combustion Turbine Stig (CT2) Facilities.

Background

Various CEMS gases are required at the LEC/CT2 locations from time to time for operations and maintenance. Airgas USA, LLC is a provider of these services. NCPA has used Airgas for these services for many years and will continue to use their services due to the lack of response from other vendors. This will be the only enabling agreement for these services that NCPA will have in place.

Fiscal Impact

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

Environmental Analysis

This activity would not result in a direct or reasonably foreseeable indirect change in the physical environment and is therefore not a “project” for purposes of Section 21065 the California Environmental Quality Act. No environmental review is necessary.

Recommendation

Staff recommends that the PPC pass a motion approving the Multi-Task Materials and Supplies Purchase Agreement with Airgas USA, LLC with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$500,000 over five years.

Prepared by:

MELISSA C. PHILPOT
Material Procurement/Warehouse Coordinator, LEC

Attachment: Multi-Task Materials and Supplies Purchase Agreement with Airgas USA, LLC



**MULTI-TASK
AGREEMENT FOR PURCHASE OF
EQUIPMENT, MATERIALS AND SUPPLIES
BETWEEN
THE NORTHERN CALIFORNIA POWER AGENCY AND
AIRGAS USA, LLC.**

This Agreement for Purchase of Equipment, Materials and Supplies ("Agreement") is entered into on _____, 2014 (the "Effective Date") between the NORTHERN CALIFORNIA POWER AGENCY, ("Agency"), a public joint powers agency, with offices located at 651 Commerce Drive, Roseville, CA, 95678-6420 and Airgas USA, LLC., ("Supplier"), whose principal office is located at _____ (together sometimes referred to as the "Parties").

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

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

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

Section 4. COMPENSATION. Agency hereby agrees to pay Supplier for the Goods an amount not to exceed five hundred thousand dollars (\$500,000) as total compensation under this Agreement, which includes all shipping, taxes (if applicable), insurance, delivery charges, and any other fees, costs or charges.

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

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

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

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

- 5.1 **Workers' Compensation.** If Supplier employs any person, Supplier shall maintain Statutory Workers' Compensation Insurance and Employer's Liability Insurance for any and all persons employed directly or indirectly by Supplier with limits of not less than one million dollars (\$1,000,000.00) per accident.
- 5.2 **Automobile Liability.** Supplier shall maintain automobile liability insurance for the term of this Agreement covering any loss or liability, including the cost of defense of any action, arising from the operation, maintenance or use of any vehicle, whether or not owned by the Supplier, on or off Agency premises. The policy shall provide a minimum limit of \$1,000,000 per each accident, with \$2,000,000 aggregate. This insurance shall provide contractual liability covering all motor vehicles and mobile equipment utilized in the transport of the Goods to the Agency's Project Site.
- 5.3 **Commercial General Liability (CGL).** Supplier shall maintain commercial general liability coverage covering Goods, including product liability, covering any loss or liability, including the cost of defense of any action, for bodily injury, death, personal injury and broad form property damage which may arise out of the operations of Supplier in regard to this Agreement with not less than \$1,000,000/\$2,000,000 aggregate for bodily injury and property damage, on an occurrence basis. No endorsement shall be attached limiting the coverage.
- 5.4 **General Liability/Umbrella Insurance.** The coverage amounts set forth above may be met by a combination of underlying and umbrella policies as long as in combination the limits equal or exceed those stated.
- 5.5 **All Policies Requirements.**
- 5.5.1 **Verification of Coverage.** Prior to beginning any work under this Agreement, Supplier shall, at the sole option of the Agency, provide Agency with (1) a Certificate of Insurance that demonstrates compliance with all applicable insurance provisions contained herein and (2) policy endorsements to the automobile liability policy and the CGL policy adding the Northern California Power Agency as an Additional Insured and declaring such insurance primary in regard to

work performed pursuant to this Agreement and that Agency's insurance is excess and non-contributing.

5.5.2 **Notice of Reduction in or Cancellation of Coverage.** Supplier agrees to provide at least thirty (30) days prior written notice of any cancellation or reduction in scope or amount of the insurance required under this Agreement.

5.5.3 **Waiver of Subrogation.** Supplier agrees to waive subrogation which any insurer of Supplier may acquire from Supplier by virtue of the payment of any loss. Supplier agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation.

5.5.4 **Self-Insured Retention.** Supplier shall declare the amount of the self-insured retention to the Agency; the amount shall be not more than \$100,000.

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

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

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

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

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

- 7.3 **Transfer of Title.** Supplier shall be deemed to be in exclusive possession and control of the Goods and shall be responsible for any damages or injury caused thereby, including without limitation any spills, leaks, discharges or releases of any Goods, until Agency accepts delivery at its Site. For the purposes of this Agreement, such acceptance shall occur after Supplier or its agents complete transfer of the Goods into appropriate containers, machinery, storage tanks or other storage apparatus identified by NCPA. In the event a spill, leak, discharge or release requires notification to a federal, state or local regulatory agency, Supplier shall be responsible for all such notifications. Should Supplier be required to remedy or remove Goods as a result of a leak, spill, release or discharge of Goods into the environment at Agency's Site or elsewhere, Supplier agrees to remediate, remove or cleanup Agency's Site to a level sufficient to receive a "No Further Action Required" or "Closure Letter" from the appropriate regulatory authority.

Section 8. **MISCELLANEOUS PROVISIONS.**

- 8.1 **Integration; Incorporation.** This Agreement, including all the exhibits attached hereto, represents the entire and integrated agreement between Agency and Supplier and supersedes all prior negotiations, representations, or agreements, either written or oral. All exhibits attached hereto are incorporated by reference herein.
- 8.2 **Counterparts.** This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one agreement.
- 8.3 **Compliance with Applicable Law.** Supplier shall comply with all applicable federal, state, and local laws, rules and regulations in regard to this Agreement and the Goods supplied hereunder.
- 8.4 **Construction of Agreement.** The Parties agree that the usual construction of an agreement against the drafting party shall not apply here.
- 8.5 **Supplier's Status.** Supplier is an independent contractor and not an employee or agent of NCPA.
- 8.6 **Non-assignment.** Supplier may not assign this Agreement without the prior written consent of NCPA, which shall not be unreasonably withheld.
- 8.7 **Governing Law.** This Agreement and all matters pertaining to it, shall be governed by the laws of the State of California and venue shall lie in Placer County or in the county to which the Goods are delivered.

Section 9. COMPLIANCE CERTIFICATION.

- 9.1 Affidavit of Compliance for Contractors.** Consistent with the Conditions of the Certification issued by the California Energy Commission, Contractor shall, at the same time Contractor executes this Agreement, execute and provide to Agency Exhibit B hereto for any employees, agents or other representatives of Contractor who will be present on site at NCPA's Lodi Energy Center, Lodi, California. During the term of this Agreement, Contractor shall keep current the Certificate, attached as Exhibit B.
- 9.2 Affidavit of Compliance for Hazardous Materials Transport Vendors.** Consistent with the Conditions of Certification issued by the California Energy Commission, Contractor shall, at the same time Contractor executes this Agreement, execute and provide to Agency Exhibit C hereto for itself, any employees, agents or other representatives of Contractor who shall be present on site at NCPA's Lodi Energy Center, Lodi, California. During the term of this Agreement, Contractor shall keep current the Certificate, attached as Exhibit C.

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

NORTHERN CALIFORNIA POWER AGENCY

AIRGAS USA, LLC.

Date: _____

Date: _____

JAMES H. POPE, General Manager

[NAME, TITLE]

Attest:

Assistant Secretary of the Commission

Approved as to Form:

Assistant General Counsel, Ruthann G. Ziegler

EXHIBIT A

Supplier shall provide the following list of Goods to Agency's CT2 and LEC facilities upon the written request of the Agency:

Product Price Schedule:

Airgas P/N	Airgas Product Description	Cylinder Size	Purity	Cylinder Price
	Lodi Energy Center			
Certified Mixes				
X02AI99C15A3299	8ppm NH3/ bal Air	150A [141 cf.]	Cert	\$215.00
EPA Protocols				
E02NIE15AC427	2.5ppm NO/ bal N2	150A [141 cf.]	EPA	\$218.00
E02NIE15AC007	5.5ppm NO/ bal N2	150A [141 cf.]	EPA	\$218.00
E02NI99E15A0065	80ppm NO/ bal N2	150A [141 cf.]	EPA	\$218.00
E03NI99E15AC470	2.5ppm NO,2.5ppm CO/ bal N2	150A [141 cf.]	EPA	\$265.00
E03NI99E15A03L5	5.5ppm NO,5.5ppm CO/ bal N2	150A [141 cf.]	EPA	\$265.00
E03NI99E15A01L7	25ppm NO,800ppm CO/ bal N2	150A [141 cf.]	EPA	\$265.00
E03NI99E15AC0J9	55ppm NO,1700ppm CO/ bal N2	150A [141 cf.]	EPA	\$265.00
E03NI99E15A03NO	9ppm NO,8ppm CO/ bal N2	150A [141 cf.]	EPA	\$265.00
E03NI99E15ACLD8	90ppm NO,2500ppm CO/ bal N2	150A [141 cf.]	EPA	\$265.00
E02NI82E15AC071	18% O2/ bal N2	150A [141 cf.]	EPA	\$185.00
E02NI94E15AC220	5.5% O2/ bal N2	150A [141 cf.]	EPA	\$185.00
E02NII89E15AC155	11% O2/ bal N2	150A [141 cf.]	EPA	\$185.00
NI CZ200	Nitrogen- CEMS [99.9999%] grade	200	CEMS	\$97.00
	STIG			
E02NI77E15A0084	22.5% O2/ bal N2	150A [141 cf.]	EPA	\$185.00
E02NI86E15AC044	13.75 O2/ bal N2	150A [141 cf.]	EPA	\$185.00
E02NI93E15AC043	6.25% O2/ bal N2	150A [141 cf.]	EPA	\$185.00
E02NI99E15A0131	9 ppm NO/ bal N2	150A [141 cf.]	EPA	\$218.00

E02NI99E15AC1T1	5.5 ppm NO/ bal N2	150A [141 cf.]	EPA	\$218.00
E02NI99E15AC427	2.5 ppm NO/ bal N2	150A [141 cf.]	EPA	\$218.00
E02NI82E15AC071	18% O2/ bal N2	150A [141 cf.]	EPA	\$185.00
E02NI82E15AC071	18% O2/ bal N2	150A [141 cf.]	EPA	\$185.00
E02NI82E15AC071	18% O2/ bal N2	150A [141 cf.]	EPA	\$185.00
E03NI99E15A2718	90ppm NO,45ppm CO/ bal N2	150A [141 cf.]	EPA	\$265.00
E03NI99E15A3818	55ppm NO,27.5ppm CO/ bal N2	150A [141 cf.]	EPA	\$265.00
E03NI99E15A3819	25ppm NO,12.5pm CO/ bal N2	150A [141 cf.]	EPA	\$265.00
Industrial				
NI 250	Nitrogen	250	Ind.	\$19.00
OX 250	Oxygen – Industrial	250	Ind.	\$12.50
AC 4	Acetylene	Size 4	Ind.	\$22.72
AR 300	Argon - Industrial	300	Ind.	\$40.80
SH CP200	SF6	200	CP	\$1425.00

All EPA protocol and certified gas mixes will be supplied in aluminum 150A size cylinders unless otherwise specified.

Monthly Cylinder Rental : \$7.00 per cylinder per month.

The monthly charge is based on the number of cylinders on site at the end of each calendar month multiplied by the charge per cylinder.

Delivery Charges: \$38.00/ delivery - There is no charge for picking up empty cylinders.

Hazmat Fee: \$6.45/ delivery

EXHIBIT B

CERTIFICATION

Affidavit of Compliance for Contractors

I,

(Name of person signing affidavit)(Title)

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

(Company name)

for contract work at

(Project name and location)

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

(Signature of officer or agent)

Dated this _____ day of _____, 20 _____.

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

Exhibit C

Certification - Affidavit of Compliance for Hazardous Materials Transport Vendors

I,

(Name of person signing affidavit)(Title)

do hereby certify that the below-named company has prepared and implemented security plans in conformity with 49 CFR 172.880 and has conducted employee background investigations in conformity with 49 CFR 172, subparts A and B,

(Company name)

for hazardous materials delivery to

(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.

2232824.3



Lodi Energy Center Project Participant Committee

Staff Report

AGENDA ITEM NO.: 11

Date: February 10, 2014
To: Lodi Energy Center Project Participant Committee
Subject: Blue Toro LLC dba Quality Generator Services Agreement for Generator Inspection/maintenance Services – All NCPA Sites

Proposal

Approve a Multi-Task General Services Agreement with Blue Toro LLC dba Quality Generator Services for an amount not-to-exceed \$400,000 over five years to be used for generator inspection/maintenance services as needed at all NCPA Facilities.

Background

Various generator inspection/maintenance services are required at the NCPA locations from time to time for operations and maintenance. Quality Generator Services is a provider of these services. NCPA has not yet used this vendor; however, NCPA would like to have this enabling agreement available in addition to another similar agreement currently in place with American Exchanger Services.

Fiscal Impact

Total cost of the agreement is not-to-exceed \$400,000 over five years to be used out of NCPA approved budgets as services are rendered. Purchase orders referencing the terms and conditions of the Agreement will be issued following NCPA procurement policies and procedures.

Environmental Analysis

This activity would not result in a direct or reasonably foreseeable indirect change in the physical environment and is therefore not a “project” for purposes of Section 21065 the California Environmental Quality Act. No environmental review is necessary.

Recommendation

Staff recommends that the PPC pass a motion approving the Multi-Task General Services Agreement with Blue Toro LLC dba Quality Generator Services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$400,000 over five years.

Prepared by:

MELISSA C. PHILPOT
LEC Material Procurement/Warehouse Coordinator

Blue Toro LLC dba Quality Generator Services
February 10, 2014
Page Two

Attachment: Multi-Task General Services Agreement with Blue Toro LLC dba Quality
Generator Services

SR:



**MULTI-TASK
GENERAL SERVICES AGREEMENT BETWEEN
THE NORTHERN CALIFORNIA POWER AGENCY AND
BLUE TORO LLC dba QUALITY GENERATOR SERVICES**

This agreement for general services ("Agreement") is made by and between the Northern California Power Agency, a joint powers agency with its main office located at 651 Commerce Drive, Roseville, CA 95678-6420 ("Agency") and Blue Toro LLC dba Quality Generator Services, a sole proprietorship with its office located at 1501 India Street, Suite 103-10, San Diego, CA 92101 ("Contractor") (together sometimes referred to as the "Parties") as of _____, 2014 ("Effective Date") in Roseville, California.

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

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

Section 2. COMPENSATION. Agency hereby agrees to pay Contractor an amount **NOT TO EXCEED FOUR HUNDRED THOUSAND dollars (\$400,000.00)** for the Work, which shall include all fees, costs, expenses and other reimbursables, as set forth in Contractor's fee schedule, attached hereto and incorporated herein as Exhibit B. This dollar amount is not a guarantee that Agency will pay that full amount to the Contractor, but is merely a limit of potential Agency expenditures under this Agreement.

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

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

Invoices shall be sent to:

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

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

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

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

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

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

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

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

4.2 Commercial General and Automobile Liability Insurance.

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

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

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

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

4.4 All Policies Requirements.

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

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

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

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

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

Section 5. INDEMNIFICATION AND CONTRACTOR'S RESPONSIBILITIES.

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

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

Section 6. STATUS OF CONTRACTOR.

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

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

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

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

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

Section 7. LEGAL REQUIREMENTS.

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

Section 8. TERMINATION AND MODIFICATION.

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

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

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

Section 9. KEEPING AND STATUS OF RECORDS.

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

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

9.4 Confidential Information and Disclosure.

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

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

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

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

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

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

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

Section 10. PROJECT SITE.

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

Section 11. WARRANTY.

- 11.1 **Nature of Work.** In addition to any and all warranties provided or implied by law or public policy, Contractor warrants that all Work shall be free from defects in design and workmanship, and that Contractor shall perform all Work in accordance with applicable federal, state, and local laws, rules and regulations including engineering, construction and other codes and standards and prudent electrical utility standards, and in accordance with the terms of this Agreement.
- 11.2 **Deficiencies in Work.** In addition to all other rights and remedies which Agency may have, Agency shall have the right to require, and Contractor shall be obligated at its own expense to perform, all further Work which may be required to correct any deficiencies which result from Contractor's failure to perform any Work in accordance with the standards required by this Agreement. If during the term of this Agreement or the one (1) year period following completion of the Work, any equipment, supplies or other materials or Work used or provided by Contractor under this Agreement fails due to defects in material and/or workmanship or other breach of this Agreement, Contractor shall, upon any reasonable written notice from Agency, replace or repair the same to Agency's satisfaction.
- 11.3 **Assignment of Warranties.** Contractor hereby assigns to Agency all additional warranties, extended warranties, or benefits like warranties, such as insurance, provided by or reasonably obtainable from suppliers of equipment and material used in the Work.

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

- 12.1 Contractor is responsible for acquiring job hazard assessments as necessary to safely perform the Work and provide a copy to Agency upon request.
- 12.2 Contractor is responsible for providing all employee health and safety training and personal protective equipment in accordance with potential hazards that may be encountered in performance of the Work and provide copies of the certified training records upon request by Agency. Contractor shall be responsible for proper maintenance and/or disposal of their personal protective equipment and material handling equipment.
- 12.3 Contractor is responsible for ensuring that its lower-tier subcontractors are aware of and will comply with the requirements set forth herein.
- 12.4 Agency, or its representatives, may periodically monitor the safety performance of the Contractor performing the Work. Contractors and its subcontractors shall be required to comply with the safety and health obligations as established in the Agreement. Non-

compliance with safety, health, or fire requirements may result in cessation of work activities, until items in non-compliance are corrected. It is also expressly acknowledged, understood and agreed that no payment shall be due from Agency to Contractor under this Agreement at any time when, or for any Work performed when, Contractor is not in full compliance with this Section 12.

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

Section 13 MISCELLANEOUS PROVISIONS.

- 13.1 **Attorneys' Fees.** If a party to this Agreement brings any action, including an action for declaratory relief, to enforce or interpret the provision of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees in addition to any other relief to which that party may be entitled. The court may set such fees in the same action or in a separate action brought for that purpose.
- 13.2 **Venue.** In the event that either party brings any action against the other under this Agreement, the Parties agree that trial of such action shall be vested exclusively in the state courts of California in the County of Placer or in the United States District Court for the Eastern District of California.

- 13.3 **Severability.** If a court of competent jurisdiction finds or rules that any provision of this Agreement is invalid, void, or unenforceable, the provisions of this Agreement not so adjudged shall remain in full force and effect. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.
- 13.4 **No Implied Waiver of Breach.** The waiver of any breach of a specific provision of this Agreement does not constitute a waiver of any other breach of that term or any other term of this Agreement.
- 13.5 **Successors and Assigns.** The provisions of this Agreement shall inure to the benefit of and shall apply to and bind the successors and assigns of the Parties.
- 13.6 **Conflict of Interest.** Contractor may serve other clients, but none whose activities within the corporate limits of Agency or whose business, regardless of location, would place Contractor in a "conflict of interest," as that term is defined in the Political Reform Act, codified at California Government Code Section 81000 *et seq.*
- Contractor shall not employ any Agency official in the work performed pursuant to this Agreement. No officer or employee of Agency shall have any financial interest in this Agreement that would violate California Government Code Sections 1090 *et seq.*
- 13.7 **Contract Administrator.** This Agreement shall be administered by Ken Speer, Assistant General Manager, or his/her designee, who shall act as the Agency's representative. All correspondence shall be directed to or through the representative.
- 13.8 **Notices.** Any written notice to Contractor shall be sent to:

Quality Generator Services
Attn: Sergio Guerrero
1501 India Street, Suite 103-10
San Diego, CA 92101

Any written notice to Agency shall be sent to:

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

With a copy to:

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

- 13.9 **Professional Seal.** Where applicable in the determination of the Agency, the first page of a technical report, first page of design specifications, and each page of construction drawings shall be stamped/sealed and signed by the licensed professional responsible for the report/design preparation.
- 13.10 **Integration; Incorporation.** This Agreement, including all the exhibits attached hereto, represents the entire and integrated agreement between Agency and Contractor and supersedes all prior negotiations, representations, or agreements, either written or oral. All exhibits attached hereto are incorporated by reference herein.
- 13.11 **Alternative Dispute Resolution.** If any dispute arises between the Parties that cannot be settled after engaging in good faith negotiations, Agency and Contractor agree to resolve the dispute in accordance with the following:
- 13.11.1 Each party shall designate a senior management or executive level representative to negotiate any dispute;
- 13.11.2 The representatives shall attempt, through good faith negotiations, to resolve the dispute by any means within their authority.
- 13.11.3 If the issue remains unresolved after fifteen (15) days of good faith negotiations, the Parties shall attempt to resolve the disagreement by negotiation between legal counsel. If the above process fails, the Parties shall resolve any remaining disputes through mediation to expedite the resolution of the dispute.
- 13.11.4 The mediation process shall provide for the selection within fifteen (15) days by both Parties of a disinterested third person as mediator, shall be commenced within thirty (30) days and shall be concluded within fifteen (15) days from the commencement of the mediation.
- 13.11.5 The Parties shall equally bear the costs of any third party in any alternative dispute resolution process.
- 13.11.6 The alternative dispute resolution process is a material condition to this Agreement and must be exhausted as an administrative prior to either

Party initiating legal action. This alternative dispute resolution process is not intended to nor shall be construed to change the time periods for filing a claim or action specified by Government Code §§ 900 *et seq.*

- 13.12 **Controlling Provisions.** In the case of any conflict between the terms of this Agreement and the Exhibits hereto, and Contractor's Proposal (if any), the Agreement shall control. In the case of any conflict between the Exhibits hereto and the Contractor's Proposal, the Exhibits shall control.
- 13.13 **Counterparts.** This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one agreement.
- 13.14 **Construction of Agreement.** Each party hereto has had an equivalent opportunity to participate in the drafting of the Agreement and/or to consult with legal counsel. Therefore, the usual construction of an agreement against the drafting party shall not apply hereto.
- 13.15 **No Third Party Beneficiaries.** This Agreement is made solely for the benefit of the parties hereto, with no intent to benefit any non-signator third parties.

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

NORTHERN CALIFORNIA POWER AGENCY

BLUE TORO LLC dba QUALITY
GENERATOR SERVICES

Date _____

Date _____

JAMES H. POPE, General Manager
Manager

SERGIO GUERRERO, General

Attest:

Assistant Secretary of the Commission
Approved as to Form:

Assistant General Counsel

EXHIBIT A

SCOPE OF WORK

Blue Toro LLC dba Quality Generator Services ("Contractor"), shall provide generator services as requested by the Northern California Power Agency ("Agency"). Services to include, but not be limited to the following:

- Generator Overhauls
- Bearing and Seal Inspections
- Re-Babbit Bearings
- Collector Ring (Slip ring) Service
- In-Place Water and Non-water Based Cleaning
- Insulation Inspection
- Corona Inspections and Maintenance
- Lacing Inspections and Maintenance
- Infrared Thermal Imaging Inspections
- Video Probe (Bore-Scope) Inspections
- Polarization Index
- Insulation Resistance
- Resealing of Insulation System
- Switchboard Inspection & Cleaning
- Control Maintenance & Modifications
- Transformer Oil Sampling/Inspection (ASTM)
- Valve Maintenance/Replacement
- General Site and Maintenance Services

EXHIBIT B

COMPENSATION SCHEDULE AND HOURLY FEES

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

2014 QGS Generator Hourly Rate Sheet

	<u>Straight Time</u> <u>(First 8 Hours)</u>	<u>Overtime Rate</u> <u>(After 8 Hours)</u>	<u>Overtime Rate</u> <u>(After 12 Hours)</u>
Sr. Project Manager	\$ 117.00 per hour	\$ 117.00 per hour	\$ 117.00 per hour
Production Foreman	\$ 93.00 per hour	\$ 139.00 per hour	\$ 185.00 per hour
Field Technician	\$ 71.00 per hour	\$ 106.00 per hour	\$ 142.00 per hour
Subsistence	\$ 152.00 per day		
Materials	Cost plus 10 %, supported by receipts		
Other Expenses	Cost plus 10 %, supported by receipts		

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, Sergio Guerrero General Manager (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

Blue Toro LLC dba Quality Generator Services
(Company name)

for contract work at

12745 N Thornton Road Lodi, CA 95241
(Project name and location)

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

(Signature of officer or agent)

Dated this _____ day of _____, 20 _____.

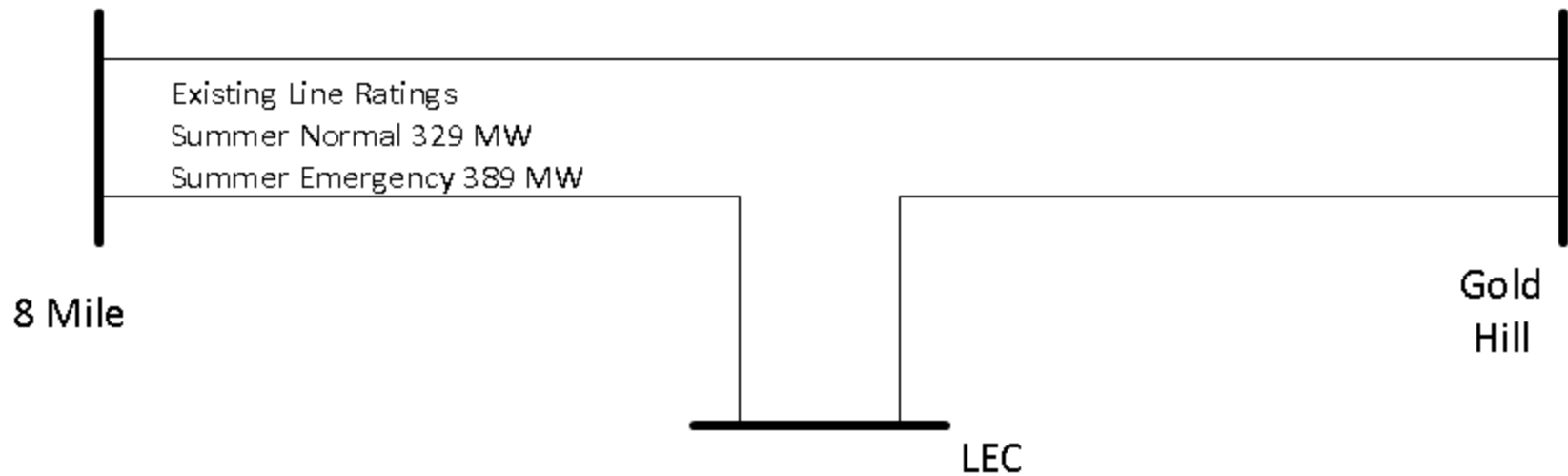
THIS AFFIDAVIT OF COMPLIANCE SHALL BE APPENDED TO THE PROJECT SECURITY PLAN AND SHALL BE RETAINED AT ALL TIMES AT THE PROJECT SITE FOR REVIEW BY THE CALIFORNIA ENERGY COMMISSION COMPLIANCE PROJECT MANAGER.

Lodi Energy Center

24 MW Capacity Upgrade

Phase I Study Results

- NCPA-Lodi / Eight Mile Line overload
- Only Impact
- Reconductor Line
 - Existing 1113 AAC
 - New 795 ACSS
- 3 Other Projects Share
 - LEC is 70%



New Line Ratings
Summer Normal 605 MW

Project Costs

- Local Delivery Network Upgrade
 - \$6,592,000
 - May be lower depending upon participants
 - Reimbursable within 5 years COD
- Interconnect Facilities
 - \$411,000
 - Non-reimbursable

Schedule

- Security Deposit due 4/14
- Phase II study Start 5/1
- Phase II study complete 11/30
- Interconnect Agreement by 4/2015
- Permitting and construction 27 months
 - Completion 7/31/17

Next Step

- Security Deposit due 4/14
- Deposit amount \$911,000
 - High Stakes Commitment
 - Financial Security
 - Protect PTO for work performed
- Authorize Budget Augmentation to fund

Potential Scenario

- Improve Schedule by entering into E&P
 - Engineer and Procure
- Could start work during Phase II
- Wouldn't make sense until about Aug
- Would give PG&E 8 month jump on engineering and permitting

FY2015 Proposed Budget



Organization Chart

- 7 Administrative
 - 6 Maintenance
 - 12 Operators 3/shift, no relief
 - 25 Total
-
- Operator Overtime 19%
 - 2 additional Operators required for relief

Shared Head Count

- Shared Facilities Agreement
 - Divided some costs based on estimated headcount
 - CT1-12%
 - CT2-18%
 - LEC-70%

- Maintenance Charges time based on work
 - Actual
 - CT1-17%
 - CT2-13%
 - LEC-70%

Shared Headcount

- Operators
 - Spend little time on CT1
 - Control Room Monitoring affect all
 - Safety Training Affects All
 - Approximate Division
 - CT1-7%
 - CT2-10%
 - LEC-83%

Shared Headcount

- Admin Staff
- Difficult to log
- May be working simultaneous
- May shift rapidly between projects
- Approximate Division
- CT1- 17%
- CT2- 17%
- LEC- 66%

Shared Headcount

Ratio of Shared Facilities			
	FY13	FY14	FY15
CT1	12%	12%	12%
CT2	11%	11%	12%
LEC	77%	77%	76%
	100%	100%	100%

•Recommended Shared Facilities Ratios for Head Count rationed items

Shared Headcount

	FY13	FY14	FY15
	Approved Budget	Approved Budget	Proposed Budget
CT1	\$623,668	\$661,454	\$668,000
CT2	\$578,064	\$612,573	\$625,000
LEC	\$4,046,379	\$4,227,098	\$4,297,444
	\$5,248,111	\$5,501,125	\$5,590,444

2015 Proposed Budget

February 6, 2014

Proposed Budget w/Updates

	FY 2013	FY 2014	FY 2015	
	Approved	Approved	Proposed	
	Budget	Budget	Budget	Comments
Routine O & M Costs				
Operations	\$1,947,585	\$1,177,239	\$1,191,945	
Maintenance	4,666,891	3,752,752	4,203,743	
Administration	207,340	1,214,657	1,237,369	
Mandatory Costs	456,000	456,000	220,000	
Inventory Stock	400,000	400,000	400,000	
Routine O & M Costs without Labor	7,677,816	7,000,648	7,253,057	Aux Power (234k), LTSA (80k), DCS Support (115k)
Labor	4,046,379	4,227,098	4,297,444	
Projects	261,626	718,000	482,500	
Total Routine O & M Costs	11,985,821	11,945,746	12,033,001	

LEC 2015 Projects

Plant Betterment	125,000	Water & Air at clarifier, HRSG Pass through, Manual isolations on Aux Gas
PI Performance Modules	80,000	
Essential Services	75,000	
Spare Parts Storage (Shared Projects)	52,500	
Platforms	150,000	

	FY 2015 Proposed Budget	FY 2016 Forecast	FY 2017 Forecast	FY 2018 Forecast	FY 2019 Forecast	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast	FY 2023 and Beyond Forecast
Project									
Capital Projects									
Platforms (20 platforms)	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 50,000		
CT Maintenance Access		\$ 200,000							
Steam Turbine Access				\$ 150,000					
Cooling Tower Pump Down						\$ 100,000			
Air Filter Puffer System									\$ 500,000
Gas Turbine Insulation									\$ 250,000
DCS Software Upgrades								\$ 200,000	
BOP PLC Upgrades		\$ 30,000						\$ 125,000	
iRig-B time stamping			\$ 30,000						
HVAC								\$ 40,000	
Vehicles			\$ 5,000		\$ 5,000		\$ 5,000		
230kV Line to Lodi			Evaluating Project						
Capacity Upgrade	\$ 8,000,000								
Total Capital Projects Funding Requirement	\$ 150,000	\$ 380,000	\$ 185,000	\$ 300,000	\$ 155,000	\$ 250,000	\$ 55,000	\$ 365,000	\$ 750,000

PI Performance Modules

- What: Calculations built into PI historian to correct plant performance back to ISO conditions for improved tracking of equipment efficiency.
- How: Integrates seamlessly into existing PI and Sharepoint Systems
- Alternatives: Continue monitoring As-Is or Develop In-House

Alternative 1 was evaluated based on heat rate sensitivity and the benefit to maintain the lowest heat rate possible should it rise. Assumptions include a 10 year projected life, realizing a .1% heat rate recovery starting three years as of today. Since the plant is new, the current heat rate is a starting basis. Gas fuel cost, Yearly production, LEC Variable costs, and LEC margin use the CERA 2015 average values through 10 years.

AFE Financial Measurements	Value	Units
NPV @ Discount Rate	55,196	\$
IRR	14.0%	%
Average Annual Benefits	16,144	\$
Payback	5.0	Years
Useful Life	10.0	Years
B/C Ratio	1.52	B/C Ratio

Essential Services

- What: Essential services is the back-up power supply that powers important equipment (turning gear, gates, lights, receptacles) when back-feed power outages occur.
- How: Relocate important circuits to the Essential Services MCC. Requires engineering of MCC and protection and new cable pulls.
- Alternatives: Purchase back-up generators to plug in or Do Nothing

Alternative 1 and alternative 3 were evaluated to provide the financial justification of this project. Assumptions include: 2 Days lost to set-up and take down of cables at an opportunity cost of \$15,647 per day using the April 2015 CERA Price Forecast over a 30 year life.

A/E Financial Measurements	Value	Units
NPV @ Discount Rate	163,533	\$
IRR	14.3%	%
Average Annual Benefits	10,100	\$
Payback	8.0	Years
Useful Life	30.0	Years
B/C Ratio	2.17	B/C Ratio

Spare Parts Storage

- What: Provide a clean, dry location to store parts.
- Benefits: Protect equipment to ensure it is ready for use when needed.
- \$75,000 Project Shared Project



Platforms

- What: Provide platforms to access frequently used equipment.
- Benefits: The project is for the protection of personnel. Currently using scaffold. This solution is not acceptable for permanent installation.
- Alternatives: None.



February 6, 2014



Maintenance Reserve

Funding/(Expenditures)	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Beginning Reserve Balance												
Combustion Turbine	-	-	120,000	3,940,000	100,000	100,000	320,000	3,850,000	100,000	100,000	210,000	500,000
			CI	HGP	Borescope	Borescope	CI, SP	HGP	Borescope	Borescope	CI, SP	Major
Steam Turbine	-	-	-	-	95,000	-	-	-	-	20,000	-	500,000
					Limited					Servos		Major
Generators	-	-	-	-	500,000	-	-	-	-	1,000,000	-	-
					Medium					Major		
Balance of Plant	-	-	-	190,000	300,000	305,000	-	95,000	95,000	415,000	200,000	535,000
				HV, IW	Valves	Pumps		IW	HV	Valves, SRV	Pumps	CTW, Bat, FGC
HRSG	-	-	-	40,000	-	40,000	-	40,000	1,000,000	40,000	-	40,000
				NDE		NDE		NDE	Catalyst	NDE		NDE
Projected Requirements	-	-	120,000	4,170,000	995,000	445,000	320,000	3,985,000	1,195,000	1,575,000	410,000	1,575,000
Funding Requirement	378,334	397,250	1,800,000	1,800,000	1,450,000	1,450,000	1,450,000	1,450,000	1,450,000	1,450,000	1,450,000	1,450,000
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cumulative Balance	378,334	775,584	2,455,584	85,584	540,584	1,545,584	2,675,584	140,584	395,584	270,584	1,310,584	145,584

VOM Impact

VOM Impact	Approved FY14 Budget	Approved FY14 VOM	Proposed FY14 Budget	Proposed FY14 VOM
Variable Cost	\$	\$/MWH	\$	\$/MWH
Operations (Appendix I)	1,177,249	0.92	1,191,985	0.94
LTSA	2,336,748	1.72	2,409,386	1.89
Maintenance Reserve Variable (Appendix I)	397,250	0.29		0.29
Total	5,990,085	2.94	3,979,570	3.12

Forecasted Generation (MWH)	1,354,957	1,274,807
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