



651 Commerce Drive  
Roseville, CA 95678

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

# Minutes

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**Date:** February 19, 2020  
**To:** NCPA Facilities Committee  
**From:** Carrie Pollo  
**Subject:** February 12, 2020 Special Facilities Committee Meeting Minutes

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- 1. Call Meeting to Order & Roll Call** – The meeting was called to order by Committee Chair Brian Schinstock at 9:04 am. A sign-in sheet was passed around. Attending via teleconference and/or on-line presentation were Alan Harbottle and Vidhi Chawla (Alameda), Mark Sorensen (Biggs), Paul Eckert (Gridley), Jiayo Chiang (Lodi), Tikan Singh (Lompoc), Poorvi Rao (Palo Alto), and Steve Hance (Santa Clara). Those attending in person are listed on the attached Attendee Sign-in Sheet. Committee Representatives from BART, Healdsburg, Port of Oakland, Redding, TID, and Ukiah were absent. A quorum of the Committee was established.

## **PUBLIC FORUM**

No public comment.

- 2. Generation Services Budget Presentation** – Staff provided an informational presentation on the Generation Services Facilities initial annual budget for FY 2021.

### **Geothermal Facilities**

- Labor will increase by 3.55% at approximately \$380,469 due to MOU and COLA
- The total routine O&M costs proposed is \$19,231,405 which includes \$565,000 towards fire mitigation
- The total proposed O&M budget is \$33,033,199 increasing \$1,367,188, or 4.3% over FY 2020
- The requested amount for projects is \$1,625,000 for Capital Projects, and \$2,630,000 in Maintenance Reserve totaling \$4,255,000
- The total proposed FY 2021 budget for Geo is \$37,288,199 increasing by \$1,977,188 or 5.6% over FY 2020

The Geo proposed Capital Projects include: 1) Plant #1 Fire System Modernization; 2) Plant #1 MCC Breakers; 3) FMS Control Systems Upgrade; 4) Plant #1 and #2 Door Replacements; 5) Network Infrastructure Improvement; 6) Geo Admin and Maintenance Facility Upgrade; 6) Plant #2 Diesel Tank; and, 8) Vehicle Replacements. The Maintenance Reserve Projects will include: 1) Plant Overhauls; 2) Well Workovers; and, 3) Miscellaneous Projects.

Financial projections for the Geo budget assumptions are based on the Power Management forecast for FY 2021. The financial assumptions include renewable energy credits RECs (Bucket 1) valued at \$15.75 per MWh, and resource adequacy (RA) at \$66.00 per kW-Y. The generation

forecast for FY 2021 is 740.2 GWhs. The total value of the RECs is \$11,658,150, with the total RA value at \$5,576,850 for a combined total of \$17,235,000. The FY 2021 cost to Members is \$7,366,230, with a return in value to Members (RECs and RA) of \$9,868,770.

### **Hydroelectric Facilities**

- Routine O&M costs are increasing approximately 5.7% for a total of \$224,957, due primarily to diving, cloud seeding, regulatory fees, and vegetation management
- Labor is increasing approximately \$513,173
- Total routine O&M cost plus labor is increasing by \$738,130
- The total projects budget has increased to \$6,580,000, due mainly to the McKays sediment collections and wildfire mitigation
- The FY 2021 proposed total Hydro budget is \$56,335,579, increasing \$2,261,478
- The debt obligation is the largest part of the Hydro budget which is \$33,388,263

The proposed O&M projects for Hydro were presented which include: 1) Union Dam Maintenance; 2) Lake Alpine Low Level Outlet Improvements; 3) CV Transformer Maintenance; and, 4) Control System Hardware Upgrade. Vehicle Replacement is under general and plant projects. The Capital Development Reserve Projects include: 1) McKays Reservoir and Dam Betterment (Clean Out); 2) Wildfire Mitigation Project; and, 3) Beaver Creek Dredging.

The proposed FY 2021 Hydro budget revenue assumptions is \$31,242,052, including ISO energy sales, ancillary services sales, and interest income. The net cost to participants will be \$3,832,428.

### **Combustion Turbine No. 1**

Staff reviewed and discussed budget assumptions. The capacity value of CT1 is estimated to be \$66.00 per kW-Y. Projects identified are based on continued permit limited operation.

- The total proposed FY 2021 CT1 budget is \$7,797,936
- Net cost to Members is \$6,165,586

Staff are proposing two O&M projects which include: 1) Diesel Emissions/Electric Start; and, 2) Vehicles, which are shared between CT1 (90% share), CT2 (5%), and the Lodi Energy Center (5%). The CT1 Alameda Unit cannot start without a diesel engine electric start, per air regulations through the California Air District. No Capital or Maintenance Reserve Projects are planned.

### **Combustion Turbine No. 2**

Staff reviewed and discussed budget assumptions. The capacity value of CT2 is estimated to be \$66.00 per kW-Y. The CT2 debt will be paid off in 2025. Air New Zealand is expected to service the LM5000 only until 2021. Staff expects to retire the STIG in 2026, or shortly after. The STIG can be upgraded and repowered with an LM6000.

- The total proposed FY 2021 CT2 budget is \$7,937,421, decreasing by \$1,526,277
- The net cost to Members is \$5,584,088, decreasing by \$1,264,367

Staff are proposing two O&M projects which include: 1) Ammonia System Major Maintenance; and, 2) Vehicles, which are shared between CT1 (90% share), CT2 (5%), and the Lodi Energy Center (5%). No Capital or Maintenance Reserve Projects are planned.

**3. Administrative Services Budget Presentation** – Staff provided an informational overview and presentation for the Administrative Services proposed budget for FY 2021.

The FY 2021 proposed annual budget for Administrative Services/Executive Services is \$16,859,959, increasing \$1,535,806. Salaries and benefits are proposed to increase by \$991,005, for three new Information Services (IS) full time positions, and student interns. Insurance amounts are also increasing by \$385,901 due to market hardening. Also, with new proposed Power Management services agreements, the agency will need to change from a low impact entity to a medium impact entity, increasing costs for computer hardware, software, and communications by \$540,315.

**4. Power Management Budget Presentation** – Staff gave a presentation and reviewed Power Management’s purposed budget for FY 2021.

The proposed Power Management program costs are increasing by approximately \$1,322,268, from \$11,115,361 to \$12,437,629. Changes proposed in the FY 2021 budget include planning for transition from low to medium impact under NERC/WECC standards, with software and security enhancements. New staffing positions in IS, are requested to continue with software automation enhancements for programs used through Dispatch and Scheduling, as well as Pre-Scheduling, and for physical and cyber security. Power Management is requesting one full time employee in SCALD, which would be a lead dispatch position. This position would enable management of additional complex systems, as well as increase business resiliency, and staff development. There are no Power Management projects proposed for FY 2021.

**ADJOURNMENT**

The meeting was adjourned at 11:18 am, by Committee Chair Brian Schinstock.

**Northern California Power Agency  
February 12, 2020 Special Facilities Committee Meeting  
Attendance List**

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

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

