



651 Commerce Drive
Roseville, CA 95678

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

Minutes

To: NCPA Facilities Committee
From: Trisha Hubbard
Subject: February 16, 2016 Special Facilities Committee Meeting Minutes

- 1. Call meeting to order & Roll Call** - The meeting was called to order by Committee Chair Alan Hanger at 9:05am. A sign-in sheet was passed around. Attending via teleconference and/or on-line presentation were Alan Hanger (Alameda), Basil Wong (Port of Oakland), Melissa Cadek (Lodi), Monica Padilla and Chris Hutchinson (Palo Alto), Kathleen Hughes and Steve Hance (SVP), and Terry Crowley (Healdsburg). Those attending in person are listed on the attached Attendee Sign-in Sheet. Committee Representatives from BART, Biggs, Gridley, TID, and Ukiah were absent. A quorum of the Committee was established.

PUBLIC FORUM

No public comment.

- 2. Nexant Cost Allocation Model Billing Determinants** – Staff reviewed the discussion related to this topic during the February 3, 2016 Facilities Committee meeting. The model has been updated with CY2015 determinants. Corrections have been made since the last meeting which include adjustments to the resource schedule counts that had erroneous entries and filtering out Kettlemen and Hayworth Deal IDs from the SAS program that performs hourly contract counts and weight factors. Staff provided illustrations of the Nexant Costs by member and the magnitude of changes due to the updated determinants as well as Nexant Costs for each member based on dollar per MWh load served. The updates to the model are being provided as information, approval is not required.
- 3. Power Management and Administrative Services Cost Allocation Study** – Staff provided information regarding the recommendations on three cost allocation model inputs to become effective in FY2017. Following the Nexant Cost Allocation Review Group's discussion and review, staff is recommending 1) exemption of Hour Ahead schedules created by CAISO for Variable Energy Resources (VERs); 2) Adjust IT Unit Complexity Factor for VERs, affecting the allocation of Systems Integration charges and 3) refresh labor-based cost allocation factors applied to the Pre-scheduling budget line item (aka Issue 2).

Staff explained in detail each of the recommended changes to the Nexant Cost Allocation model.

Exemption of Hour Ahead Schedules created by CAISO for VERs – Generation schedules for VERs are revised frequently which produces a large number of schedule counts. The VERs schedule revisions are created by the CAISO and processed by NCPA in an automated fashion which results in no measurable work, hence the recommendation to exempt Hour Ahead schedules created by CAISO for VERs from the Nexant cost allocation model to become effective FY2017.

Systems Integration Charge – Per Facility Committee recommendation, VERs were to be assigned an IT Complexity Factor value of 2 instead of the standard value of 1. The Review Group is undecided as to whether or not this element of the previous PIRP program should be restored. The group is looking for a Facilities Committee recommendation.

Refresh cost allocation factors applied to Pre-Scheduling – The Review Group asked to revisit the labor allocation of the pre-schedulers. Staff conducted a survey of the pre-schedulers and their day-to-day activities. Staff discussed and explained the results of that survey. Staff presented and explained the difference in cost allocations based on the recommended changes.

Motion: A motion was made by Monica Padilla and seconded by Mike Brozo to recommend 1) exemption of Hour Ahead Schedules created by CAISO for VERs from the Nexant Cost Allocation model, effective FY2017; 2) update the cost allocation factors applied to the Prescheduling budget line item, effective FY2017; and 3) in regards to the IT Unit Complexity Factor for VERs, affecting the allocation of systems integration charges, the Facilities Committee recommends using a value of 1. A vote was taken by roll call: YES = Alameda, Healdsburg, Lodi, Lompoc, Palo Alto, Plumas-Sierra, Port of Oakland, Roseville, and Santa Clara. The motion passed.

ADJOURNMENT

The meeting was adjourned at 10:12am.