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Minutes

To: NCPA Facilities Committee
From: Carrie Pollo
Subject: September 6, 2017, Facilities Committee Meeting Minutes

- 1. Call Meeting to Order & Roll Call** - The meeting was called to order by Committee Chair Melissa Price at 9:05am. A sign-in sheet was passed around. Attending via teleconference and/or on-line presentation were Alan Hanger (Alameda), Mark Sorensen (Biggs), Paul Eckert (Gridley), Monica Padilla (Palo Alto), Basil Wong (Port of Oakland), Steve Hance (Santa Clara), and Willie Manuel (Turlock). Those attending in person are listed on the attached Attendee Sign-in Sheet. Committee Representatives from BART, Healdsburg, and Ukiah were absent. A quorum of the Committee was established.

PUBLIC FORUM

No public comment.

- 2. Approve Minutes from August 2, 2017 Facilities Committee Meeting** – A motion was made by Shannon McCann and seconded by Mike Brozo recommending approval of the meeting minutes for the August 2, 2017 Facilities Committee Meeting. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Lompoc, Palo Alto, Port of Oakland, Plumas-Sierra, and Roseville. The motion passed.
- 3. All Generation Services Facilities, Members, SCPPA – Ethos Energy Power Plant Services, LLC Multi-Task General Services Agreement** – Staff recommended Commission approval of a five year Multi-Task General Services Agreement with Ethos Energy Power Plant Services, LLC, with a not to exceed amount of \$1,500,000, for use at all facilities owned and/or operated by NCPA, its Members, SCPPA, and SCPPA Members. Ethos Energy Power Plant Services provides various inspections, maintenance, parts, refurbishments services, and materials and supplies for the gas, steam, and hydro turbines. All purchase orders issued pursuant to the agreement will be charged against approved Annual Operating Budgets. A draft Commission Staff Report was available for review.

Motion: A motion was made by Shannon McCann and seconded by Jiayo Chiang recommending Commission approval of a five year Multi-Task General Services Agreement with Ethos Energy Power Plant Services, LLC, with a not to exceed amount of \$1,500,000, for use at all facilities owned and/or operated by NCPA, its Members, SCPPA, and SCPPA Members. A vote was taken by roll call: YES = Alameda, Biggs, Lodi, Lompoc, Palo Alto, Plumas-Sierra, Roseville, and Santa Clara. The motion passed.

4. **All Generation Services Facilities, Members, SCPPA – Ford Construction Company, Inc. Multi-Task General Services Agreement** – Staff recommended Commission approval of a five year Multi-Task General Services Agreement with Ford Construction Company, Inc., with a not to exceed amount of \$3,000,000, for use at all facilities, except the Lodi Energy Center, owned and/or operated by NCPA, its Members, SCPPA, and SCPPA Members. Ford Construction Company provides maintenance services to include earthwork, asphalt patching, utility easement work, minor road maintenance, and tunnel maintenance. All purchase orders issued pursuant to the agreement will be charged against approved Annual Operating Budgets. A Commission Staff Report was available for review.

Motion: A motion was made by Jiayo Chiang and seconded by Shannon McCann recommending Commission approval of a five year Multi-Task General Services Agreement with Ford Construction Company, Inc., for maintenance services to include earthwork, asphalt patching, utility easement work, minor road maintenance, and tunnel maintenance, with a not to exceed amount of \$3,000,000, for use at all facilities, except the Lodi Energy Center, owned and/or operated by NCPA, its Members, SCPPA, and SCPPA Members. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Lompoc, Palo Alto, Plumas-Sierra, Port of Oakland, Roseville, and Santa Clara. The motion passed.

5. **Hydroelectric Generation Services Facility – Informational – Update on Adit 4 Spoils Facility Repair Project and Beaver Creek Sediment Removal Project** – Staff gave an update on the status of ongoing construction efforts associated with the Adit 4 Project and Beaver Creek Sediment Removal Project.

The January-February floods filled Beaver Creek Facility with 11,400 cubic yards of sediment and debris, which is preventing hydropower and consumptive water diversions to McKays. Immediate restorative action was required to avert a multi-year delay in the Facility operations. Emergency permitting and agency consultations began as early as March. As of September 1st, 8,500 cubic yards have been excavated and hauled out. The Army Corp of Engineers approved an additional 4,600 yards to be removed. The excavation and hauling will continue through September and October.

Staff also updated the committee on the Adit 4 Spoils Facility Repair Project. The repair work was started in June 5th. The contractor's schedule has slipped a month due to the Oroville Spillway damages, which is drawing a lot of the labor. The canal work is still very concerning with the delay in the schedule. NCPA notified the contractor that the first recovery schedule for the canal still leaves potential storm water risks. Staff is reviewing a second recovery schedule and storm water contingency plan at this time. Staff also continues to work with FEMA and insurance underwriters for both projects.

6. **Generation Services 2018 Outage Schedule** – Ken Speer reviewed the Generation Services 2018 Outage Schedule. He also noted that the schedule has not changed from the proposed schedule that was reviewed at the July 5, 2017 Facilities Committee Meeting. Staff recommended Commission approval of the 2018 Outage Schedule for NCPA's CT, Geo, and Hydro facilities.

Motion: A motion was made by Shannon McCann and seconded by Jiayo Chiang recommending Commission approval of the Generation Services 2018 Outage Schedule for NCPA's CT, Geo and Hydro facilities. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Palo Alto, Plumas-Sierra, Roseville, and Santa Clara. The motion passed.

- 7. P-Site Well Deformation Discussion** – Staff gave an update on the Geothermal steam field, and the ongoing P-site well deformation. All wells at the P-site are migrating downhill, with P-4 and P-7 the most concerning. NCPA plans to monitor these wells, and will develop plans to repair, if the flow becomes inhibited. All the wells at the Geothermal site were built in 1987, so they are 30 years old now. None of them have ever had a workover. Four other injection wells are damaged, and have been out of service since 2014. A workover costs between \$2 to \$6 million and are problematic. Drilling a new “SLR” well is \$1 to \$2 million. The maintenance reserve at the NCPA Geothermal Plant has \$6.2 million to cover drilling and overhauls in FY2019.

- 8. HQ Perimeter Security Fence and Gates Project** – Staff recommended Commission approval authorizing the General Manager to execute a contract with FenceCorp Inc. and issue purchase orders associated with the headquarters perimeter security fence and gates project for a total cost not-to-exceed \$401,648. Staff’s initial Project cost estimate in 2015 was \$285,000. The cost of the Project is now estimated to be \$386,648, which includes expected expenses at \$32,710, and the sum of \$30,471 expended to date for review by the City of Roseville, design and engineering costs, and related printing and title expenses. Based on the results of the formal bidding process, which included two rounds of public bidding and subsequent negotiations, the Project cost includes the cost for the fence construction of \$323,467, electrical work, landscaping alterations, permitting, and additional engineering work. Staff recommends adding a contingency of approximately 4% for the remaining work in the amount of \$15,000, bringing the Project cost to a total not-to-exceed amount of \$401,648.

Motion: A motion was made by Mike Brozo, and seconded by Shannon McCann recommending Commission approval authorizing the General Manager to execute a contract with FenceCorp Inc. and issue purchase orders associated with the headquarters perimeter security fence and gates project for a total cost not-to-exceed \$401,648. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Lompoc, Palo Alto, Plumas-Sierra, Port of Oakland, Roseville, and Santa Clara. The motion passed.

- 9. Extension to Natural Gas Pipeline Transport Contracts** – Staff recommended extending certain NGPT contracts to extend NCPA’s pipeline transport volume rights on the NOVA and Foothills transportation systems for five (5) years through October 31, 2023.

Staff reviewed the historical data of the natural gas pipeline contracts from AECO to PG&E Citygate. The United States segments, GTN and CTG, are under a 30 year contract through October 31, 2023. The Canadian segments, NOVA and Foothills, are on a year-to-year basis, currently effective through October 31, 2018. It is more cost effective to renew the Canadian contracts for 5 years, instead of a year-to-year basis. The estimated savings over 5 years by doing this would be \$72,500.00. In order to do this, a request for an extension must be submitted by October 31, 2017.

Motion: A motion was made by Shannon McCann, and seconded by Jiayo Chiang recommending Commission approval and authorization for NCPA to extend the natural gas pipeline transportation contracts to maintain NCPA’s natural gas pipeline transport volume rights on the NOVA and Foothills transportation system for five (5) years through October 31, 2023. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Lompoc, Plumas-Sierra, and Roseville. The motion passed.

10. Revision to Commission Revenue Allocation Policy and Implementation Timing of Revised Policy – Staff proposed recommendation for a revision to the Commission revenue allocation policy, and timing for implementation of the proposed revisions.

James Takehara reviewed the recommendations to revise the Commission adopted Revenue Allocation Policy, as developed by the Utility Director sub-group, and a revised version of the discussion paper at the Committee's request. The key changes to the Interim Policy are: 1) allocate 90% of revenues received, to both members and non-member participants of NCPA Projects, using the Nexant cost allocation model; 2) allocate 10% of revenues received, exclusively to members, in proportion to their contributions to A&G expenses; and, 3) apply these changes to the entirety of FY18.

After discussion regarding updates to the policy, it was decided that members still need more time to read the policy. The policy will be available on NCPA Connect in a redline, and clean version, with these changes. Voting on this item will be deferred until the October 2017 Facilities Committee Meeting, to give members an opportunity to review the revised discussion paper.

11. Approval of Provision of Services to Pioneer Community Energy – Staff discussed the opportunities to seek extension of authority to engage in negotiations with Pioneer Community Energy (PCCE) (formally known as Sierra Valley Energy Authority) to develop a Services Agreement under which NCPA may supply certain scheduling and portfolio management services to PCCE, and to modify previously granted authority delegated to the General Manager of NCPA to negotiate the amount of compensation to be charged to PCCE for NCPA's provision of services.

Placer County has formed a JPA, PCCE, for the purpose of establishing and managing a Community Choice Energy (CCE) program. PCCE has expressed an interest in taking certain scheduling and portfolio management services from NCPA. NCPA is working on a draft Services Agreement for PCCE, which is similar to the PCWA and MEID agreements. Due to time constraints and the California Legislature, PCCE would like this approved as soon as possible, so the services can be started by January or February 2018.

The draft contracts can be ready in approximately a week or so. NCPA would like to offer three different options for Commission approval which are: 1) NCPA to act as Scheduling Coordinator; 2) NCPA temporarily act as Scheduling Coordinator, then transfer SC obligations to PCCE Scheduling Coordinator when fully registered; and, 3) NCPA act as SC agent on behalf of PCCE. Pending whichever option is chosen NCPA will develop the proper level of protection to NCPA's liability associated with PCCE CAISO transactions.

This item will be discussed at the Utility Director's meeting on September 14, 2017. The Facilities Committee will hold a special meeting the week of September 18, regarding staff recommendations for Commission approval.

12. Planning and Operations Update – NCPA staff will provide an update on issues related to Planning and Operations.

- NCPA continues to meet with PG&E to work on development of an Order 890 compliant regarding PG&E's lack of a transmission planning process.
- The TO18 and TO19 proceedings are still underway, and may continue into CY 2018.

- NCPA is actively participating in the CAISO TAC Review stakeholder initiative. The initiative is focused on reviewing the current method for allocating transmission costs in the CAISO. A number of alternatives are being considered, including incorporating a demand based component as an allocation variable.
- The Lodi CT has been running more than ever this calendar year due to the hot weather conditions and localized transmission issues. The CAISO has dispatched the unit for 186 hours to date, which based on the current air permits only leaves 14 run hours left for the balance of 2017. The unit can run above 200 hours in 2017, but only in the event the unit is dispatched by the CAISO in response to a system emergency.
- NCPA, on behalf of LEC, has established an agreement with PG&E to adopt a LEC specific natural gas transportation rate. This new rate will help improve the dispatchability of the project going forward.
- NCPA has responded to a request for offers issued by the CAISO, in which CAISO is requesting bids to supply Black Start capacity in the greater bay area. NCPA has offered to provide such service from the Alameda CT project, pending certain upgrades that would be required to enable the units to provide the service.

13. Schedule Next Meeting Date – The next regular Facilities Committee Meeting is scheduled for October 4, 2017.

ADJOURNMENT

The meeting was adjourned at 12:08 pm.

**Northern California Power Agency
September 6, 2017 Facilities Committee Meeting
Attendance List**

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

MEMBER	NAME
ALAMEDA	
BART	
BIGGS	
GRIDLEY	
HEALDSBURG	
LODI	<i>Julia Ai</i>
LOMPOC	<i>Frank [unclear]</i>
PALO ALTO	
PLUMAS-SIERRA REC	<i>Michael Broz</i>
PORT OF OAKLAND	
ROSEVILLE	<i>Shannon M'Com</i>
SANTA CLARA	
TID	
UKIAH	