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Minutes - Draft

Date: October 5, 2017
To: NCPA Facilities Committee
From: Carrie Pollo
Subject: October 4, 2017, Facilities Committee Meeting Minutes

- 1. Call meeting to order & Roll Call** - The meeting was called to order by Committee Chair Melissa Price at 9:04 am. A sign-in sheet was passed around. Attending via teleconference and/or on-line presentation were Debbie Whiteman and Alan Hanger (Alameda), Mark Sorensen (Biggs), Monica Padilla (Palo Alto), Khaly Nguyen and Steve Hance (Santa Clara), and Willie Manuel (TID). Those attending in person are listed on the attached Attendee Sign-in Sheet. Committee Representatives from BART, Gridley, Healdsburg, Plumas-Sierra, Port of Oakland, and Ukiah were absent. A quorum of the Committee was not established.

PUBLIC FORUM

No public comment.

- 2. Approve Minutes from the September 6, 2017, Facilities Committee Meeting and September 20, 2017, Special Facilities Committee Meeting Minutes** – These two sets of minutes will be voted on at the next Facilities Committee Meeting, since there was not a quorum established.
- 3. Geothermal Facilities – Sunshine Metal Clad First Amendment** – Staff is seeking a recommendation for Commission approval of a First Amendment to the five-year Multi-Task General Services Agreement with Sunshine Metal Clad, Inc. for insulation services, increasing the not to exceed amount from \$300,000 to \$550,000, for use at NCPA Geothermal facilities. All purchase orders issued pursuant to the agreement will be charged against approved Annual Operating Budgets. (*Commission Category: Consent; Sponsor: Geo*)

** This item was pulled, and will be presented at the next Facilities Committee Meeting. **

- 4. Geothermal Facilities – EGS Consulting, Inc. Multi-Task Consulting Services Agreement** – Staff recommended Commission approval of a five-year Multi-Task Consulting Services Agreement with EGS Consulting, Inc., for engineering and geologic services, including conducting water injection studies, monitoring and reporting seismic activity, and well testing, with a not to exceed amount of \$500,000, for use at NCPA Geothermal facilities. 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.

An informal motion was made by Shannon McCann and seconded by Jiayo Chiang recommending Commission approval authorizing the General Manager or his designee to enter

into a Multi-Task Consulting Services Agreement with EGS Consulting, Inc., with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$500,000 over five years and to issue purchase orders associated with the contract. For use at the NCPA Geysers Geothermal Facility. A vote was taken by roll call: YES = Alameda, Biggs, Lodi, Roseville, Santa Clara, and TID. ABSTAIN = Palo Alto. The Committee supports Commission approval.

- 5. All Generation Services Facilities – TRB and Associates First Amendment –** Staff recommended Commission approval of a First Amendment to the five-year Multi-Task Consulting Services Agreement with TRB and Associates, for consulting services including construction inspections and engineering reviews, increasing the not to exceed amount from \$200,000 to \$500,000, for use at all facilities owned and/or operated by NCPA. The Facilities Committee also recommends Commission approval to increase the not to exceed amount to \$1,000,000 and open this agreement up to all NCPA Members, SCPPA, and SCPPA Members, pending agreement from TRB Associates. 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.

An informal motion was made by Shannon McCann and seconded by Jiayo Chiang recommending Commission approval authorizing the General Manager or his designee to enter into a First Amendment to Multi-Task Consulting services Agreement with TRB and Associates, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$500,000 over five years and to issue purchase orders associated with this contract. For use at all NCPA Generation Plant facilities. The Facilities Committee also recommends Commission approval to increase the not to exceed amount to \$1,000,000 and open this agreement up to all NCPA Members, SCPPA, and SCPPA Members, pending agreement from TRB and Associates. A vote was taken by roll call: YES = Alameda, Biggs, Lodi, Roseville, Santa Clara, and TID. ABSTAIN = Palo Alto. The Committee supports Commission approval.

- 6. Revision to Commission Revenue Allocation Policy and Implementation Timing of Revised Policy –** Staff proposed and recommended a revision to the Commission Revenue Allocation Policy, and timing for implementation of the proposed revisions based on the policy discussion paper.

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. James will make some clarifying edits to the revenue allocation discussion paper, per members' request, and list the recommendations clearly at the beginning of the document. A redline version will be available to the Committee for review prior to the Commission Meeting on October 26.

An informal motion was made by Shannon McCann and seconded by Jiayo Chiang recommending Commission approval to update the existing revenue allocation policy as described in the Revised Revenue Allocation Policy. A vote was taken by roll call: YES = Alameda, Biggs, Lodi, Palo Alto, Roseville, Santa Clara, and TID. The Committee supports Commission approval.

- 7. Greenhouse Gas Accounting for CT2 (STIG) –** Staff introduced a billing support file of the NCPA All Resources Bill for CT2 (STIG) Greenhouse Gas Emissions (GHG). NCPA must prepare a GHG inventory, and administer Compliance Instruments to the associated emissions.

The GHG emissions from the CT2 Project, Lodi STIG, are covered emissions under the CA Cap-and-Trade Program. Historically the emissions are very low.

NCPA Settlements plans to distribute a detailed accounting of the CT2 GHG emission in the All Resources Bill support file, starting with the November ARB. The report period will be from January 2013 to the current date, plus a 6-12 month projection, including generation (MWh), GHG obligation (MT CO₂e), compliance instrument balances (MT), and compliance instruments retirements (MT).

Staff will be preparing a proposal to adopt a regularly scheduled monthly process that is financially binding using this report. The goals are to reduce legal risk to NCPA for uncovered GHG obligations, improve administrative efficiency, and conform to business practices across the covered entities.

Planning and Operations Update –

- **CT Update** – The CTs have been operating for 30 years now. The CT1 Alameda needs a 115Kv bushing replacement. Hart High Voltage was awarded the bid to conduct the electrical test, drain oil, internal inspection, and replacement of transformer bushings. While restoring from back feed, the service station transformer “A” faulted due to overcurrent on H1. A refurbished transformer has been located in Greenville, SC, and is expected to ship on October 6. There were three bids for a refurbished transformer, with the lowest being \$26,820. The transformer swap will start October 23 and should be completed by October 27. The transformer was tested last January and was working fine at that time. The CT1 in Lodi needs a 60Kv bushing replacement as well. Hart High Voltage was again awarded the bid to conduct the electrical test, drain oil, internal inspection, and replacement of transformer bushings. CT1 Lodi is at 193.2 of the 200 operation hours. It can only be run during emergency situations now.
- **TO18 & TO19** – NCPA will be a signatory on these proceedings, which will allow FERC to check the rates and make sure they are OK. If not, then FERC can change the rates, as these are managed by TANC and the CPUC.
- **PG&E Order 890** – This is continuing along. The next meeting will be October 19, regarding the proposed tariff. NCPA is disputing the resolution process.
- **PCWA** – Services for PCWA will start January 1, 2018. Dispatch staff had training September 27-28. After these services begin, NCPA will determine whether additional staff is needed for increasing demands.
- **CAISO TAC Restructuring** – There are transmission issues with the CAISO revenue shortfalls being different than the tariff. NCPA participated in the transmission planning process for this.
- **MEID** – Merced is very happy with the services they are currently receiving from NCPA, and is exploring becoming a member.
- **PCCE** – The Commission approved and authorized NCPA to enter into a Services Agreement with Pioneer Community Energy under which NCPA may supply certain scheduling and portfolio management services to Pioneer Community Energy at the amount of \$425,000. Placer County is committed and very supportive of this development.
- **NCPA Connect** – Power Management is in the process of building the reports library on NCPA Connect. Members should request any specific reports they would like to see.

8. Schedule next meeting date – the next regular Facilities Committee meeting is scheduled for November 1, 2017.

ADJOURNMENT

The meeting adjourned at 10:42 am.

**Northern California Power Agency
 October 4, 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>John C. [unclear]</i>
LOMPOC	
PALO ALTO	
PLUMAS-SIERRA REC	
PORT OF OAKLAND	
ROSEVILLE	<i>Shane M. [unclear]</i>
SANTA CLARA	
TID	
UKIAH	