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Minutes

To: NCPA Facilities Committee
From: Michelle Schellentrager
Subject: October 5, 2016 Facilities Committee Meeting Minutes

- 1. Call meeting to order & Roll Call** - The meeting was called to order by Committee Vice Chair Melissa Price at 9:06am. A sign-in sheet was passed around. Attending via teleconference and/or on-line presentation were: Debbie Whiteman (Alameda), Mark Sorensen (Biggs), Paul Eckert (Gridley), Chris Hutchinson and Jane Ratchye (Palo Alto), Basil Wong (Port of Oakland), Steve Hance and Peter Virasak (Santa Clara). Those attending in person are listed on the attached Attendee Sign-in Sheet. Committee Representatives from BART, Healdsburg, TID, and Ukiah were absent. A quorum of the Committee was established.

PUBLIC FORUM

No public comment.

- 2. Approve minutes from the August 31st Facilities Committee meetings.** A motion was made by Steve Hance and seconded by Shannon McCann recommending approval of the August 31st Facilities Committee meeting minutes. A vote was taken by roll call: YES = Biggs, Gridley, Lodi, Lompoc, Palo Alto, Plumas-Sierra, Port of Oakland, Roseville, and Santa Clara. The motion passed.
- 3. Power Management and Administrative Services Cost Allocation Study Discussion –** Staff provided an update on the Power Management and Administrative Services Cost Allocation Study. Review group has met to discuss, but has not come to a consensus on allocating revenues.

Some concepts under consideration: (a) allocating revenues to offset unfunded liability commitments for the agency; this is not supported by the review group, (b) allocating revenues primarily to members paying for costs associated with Power Management services; which appears to be the general preference of the review group, and (c) allocating revenues partly to offset Power Management services costs, and partly to offset agency A&G costs. The review group did agree that revenues should not be allocated to non-member customers, but the review group is still considering how to treat LEC non-member participants in that regard.

The review group also plans to discuss how to treat non-members who become members (whether they should be eligible for larger allocations, how soon after becoming members their allocation share should increase).

The first revenues will start coming in around July 2017. The review group plans to finish discussions and have their final recommendations ready to present during the Nov/Dec Commission Meeting.

- 4. ACCO Engineered Systems, Inc. Agreement –** Staff recommended approval of a five year Multi-Task General Services Agreement with ACCO Engineered Systems, Inc., for an amount

not to exceed \$750,000 for HVAC maintenance services for use at all facilities owned and/or operated by NCPA, its Members, SCPPA, and SCPPA Members. This agreement will be renewing an existing agreement already in place between NCPA and this vendor. This will be utilized as an enabling agreement. A draft Commission Staff Report was available for review.

Motion: A motion was made by Mike Brozo and seconded by Shannon McCann recommending Commission approval of a five year Multi-Task General Services Agreement with ACCO Engineered Systems, Inc., for HVAC maintenance services for an amount not to exceed \$750,000 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 = Biggs, Gridley, Lodi, Lompoc, Palo Alto, Plumas-Sierra, Port of Oakland, Roseville, and Santa Clara. The motion passed.

5. **Hart High-Voltage Apparatus Repair & Testing Co., Inc. Agreement** – Staff recommended approval of a five year Multi-Task General Services Agreement with Hart High-Voltage Apparatus Repair & Testing Co., for an amount not to exceed \$700,000, for electrical services at all facilities owned and/or operated by NCPA, its Members, SCPPA, and SCPPA Members. Staff explained that this agreement would be renewing the existing agreement that NCPA currently has with this vendor. This will be utilized as an enabling agreement. 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 Hart High-Voltage Apparatus Repair & Testing Co., with a not to exceed amount \$700,000 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 = Biggs, Gridley, Lodi, Lompoc, Palo Alto, Plumas-Sierra, Port of Oakland, Roseville, and Santa Clara. The motion passed.

6. **Burns & McDonnell Agreement** – Staff recommended approval of a five year Multi-Task Professional Services Agreement with Burns & McDonnell for an amount not to exceed \$1,000,000 for consulting services related to project support and plant operations at all facilities owned and/or operated by NCPA, its Members, SCPPA, and SCPPA Members. Staff explained they are still working with the vendor to finalize language pertaining to liability and worker's compensation, as vendor does not want to agree to NCPA standard terms (Section 4.5 of the draft agreement). A draft Commission Staff Report, a draft Resolution and a draft Multi-Task Professional Services Agreement were 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 Professional Services Agreement with Burns & McDonnell for an amount not to exceed \$1,000,000 for use at all facilities owned and/or operated by NCPA, its Members, SCPPA, and SCPPA Members, subject to satisfactory resolution of Section 4.5 language. A vote was taken by roll call: YES = Biggs, Gridley, Lodi, Lompoc, Palo Alto, Plumas-Sierra, Port of Oakland, Roseville, and Santa Clara. The motion passed.

7. **Scheduling Coordination Program Agreement (SCPA) Amendment to Appendix B** – Staff recommended approval of modifications to the SCPA Appendix B Settlement Charge Codes. These modifications are needed due to the upcoming release and implementation of the CAISO's Flexible Ramping Product, which is scheduled to be released November 1, 2016. Staff outlined specifically which Charge Codes would be updated, the date on which these changes will go into effect, and descriptions of each change.

Motion: A motion was made by Jiayo Chiang and seconded by Shannon McCann recommending Commission approval of modifications to the SCPA Appendix B Settlement Charge Codes, related to the implementation of the CAISO's Flexible Ramping Product. A vote was taken by roll call: YES = Biggs, Gridley, Lodi, Lompoc, Palo Alto, Plumas-Sierra, Port of Oakland, Roseville, and Santa Clara. The motion passed.

- 8. Scheduling Coordination Program Agreement (SCPA) Amendment to Appendix E** – Staff recommended approval an Amendment to Appendix E of the Amended and Restated Scheduling Coordination Program Agreement to add three (3) new generating resources to the list of facilities scheduled within the NCPA scheduling coordinator. Palo Alto has requested the addition of these three new solar generating facilities. Pursuant to Section 17.6.2 of the SCPA, this amendment to the Appendix shall take effect after being approved by the Commission, and does not require approval of the individual Participants' governing bodies.

Motion: A motion was made by Shannon McCann and seconded by Jiayo Chiang recommending Commission approval of an Amendment to the SCPA Appendix E to add three (3) new generating resources to the list of facilities scheduled within the NCPA scheduling coordinator. A vote was taken by roll call: YES = Biggs, Gridley, Lodi, Lompoc, Palo Alto, Plumas-Sierra, Port of Oakland, Roseville, and Santa Clara. The motion passed.

- 9. BART Single Member Services Agreement** – Staff recommended approval of changes to the BART SMSA, specifically to (i) extend the term of the agreement beyond December 31, 2016, and (ii) amend Attachment A of the BART SMSA to include a revised scope of services consistent with the services NCPA will supply to BART. These changes would go into effect January 1, 2017.

BART currently receives certain transmission services from PG&E pursuant to a NITSA, which is set to expire on December 31, 2016. With the expiration of the NITSA, BART will participate in the CAISO wholesale markets directly and through NCPA, and will receive services from NCPA under the following: PMASA, SMSA, FA and SMSA. The revised Attachment A will include the complete set of services NCPA will supply to BART post-2016.

Motion: A motion was made by Shannon McCann and seconded by Basil Wong recommending Commission approval of Amendment No. 2 to the BART SMSA, which includes a revised Attachment A that is attached to and made part of the BART SMSA, to enable NCPA to continue its provision of certain services to BART through December 31, 2026; and Authorize the General Manager of NCPA to execute Amendment No. 2 to the BART SMSA, on behalf of NCPA, including any non-substantive modifications to Amendment No. 2 to the BART SMSA approved by NCPA's General Counsel. A vote was taken by roll call: YES = Biggs, Gridley, Lodi, Lompoc, Palo Alto, Plumas-Sierra, Port of Oakland, Roseville, and Santa Clara. The motion passed.

- 10. Approval of Extension of Natural Gas Pipeline Contracts** – Staff recommended approval for authorization to enable NCPA to extend the Natural Gas Pipeline Transportation Contracts for the NGTL and Foothills BC Pipeline Transportation Systems. This contract is extended on a year-to-year basis. The current contract expires October 31, 2016. Contract renewals must be submitted one (1) year prior to date of termination.

Members inquired as to why NCPA only does yearly extensions, as opposed to extending for longer terms. Staff explained that there are percentage discounts for extending for either 3 or 5 year terms, however, extending year-to-year leaves NCPA the potential for selling our total interests in the pipe if value jumped quickly.

Motion: A motion was made by Shannon McCann and seconded by Jiayo Chiang recommending approval of authorization to enable NCPA to extend the Natural Gas Pipeline Transportation Contracts for the NGTL and Foothills BC Pipeline Transportation System. A vote was taken by roll call: YES = Biggs, Gridley, Lodi, Lompoc, Plumas-Sierra, and Roseville. ABSTAIN = Palo Alto, Port of Oakland, and Santa Clara. The motion passed.

11. Second Phase Agreement for Renewable Energy Power Purchase Agreement – Staff provided an update on current efforts for a Renewable Energy Power Purchase Agreement under the 2nd Phase Agreement. The basic terms of the PPA are almost complete; review group anticipates 1-2 more sessions to finalize the PPA. This PPA will facilitate transactions between the Seller and the Buyers. NCPA will draft a separate agreement with SCPA which will act as the Operating/Coordinating Agreement (this will address issues between buyers related to shared decision points, market bidding strategies, and cost sharing). The 3rd Phase Agreement will facilitate the transfer from NCPA to its participating members (Biggs, Gridley, Port of Oakland, and Lodi), and establishes this transaction as an NCPA Project. It also obligates those participants to pay for all project costs (indirect and direct); this protects non-participants from cross-member risks.

The review group expects the PPA, 3rd Phase, and other necessary contracts to be ready to present to the Facilities Committee in early November.

12. Planning and Operations Update –

- Staff gave an update on the on-going TO18 rate case filed PG&E (requesting a 37% increase over 2017 rates). TANC is arranging a meeting where all joint interveners in the TO18 case will discuss strategy on how it will be resolved. This meeting will take place in mid to late October. Earlier this week, NCPA filed a notice of proposed rulemaking with FERC to argue that PG&E should not be allowed to include Capitol Repair Projects when determining rates.
- Shasta Lake is considering getting Power Management services from NCPA (NCPA has submitted their proposal to Shasta Lake).
- NCPA Scheduling and Dispatch staff are on-site at MEID to see their facilities and better understand their processes.
- Planning Staff continues to meet with UD's to discuss Load Resource Balances, as well as Legislative Mandates that are impacting each utility (particularly where renewable portfolios are concerned).
- CAISO new Transmission Access Charges, Greenhouse Gas charges are all related to the regionalization. It appears the Governor's goal is to finalize a regionalization bill by November, so it may go to the Legislature in January.
- Flexible Ramping Product was released with the CAISO Fall 2016 Update. An upgrade to Metering Application was included as well. NCPA will work on ensuring that our Scheduling Coordinators and Dispatch staff are trained on accessing the new CAISO market portal. CAISO also updated their Online Metering Analysis applications (known as OMAR). IS will work on verifying that all of NCPA's current systems interact with the new system via parallel testing of this new interface; full cutover to OMAR will happen in roughly 6 months.

13. Schedule next meeting date – the next regular Facilities Committee meeting is scheduled for November 2nd.

ADJOURNMENT

The meeting was adjourned at 11:58am.