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Minutes

Date: March 9, 2023
To: NCPA Facilities Committee
From: Carrie Pollo
Subject: March 1, 2023 Facilities Committee Meeting Minutes

- 1. Call Meeting to Order & Roll Call** – The meeting was called to order by Committee Chair Alan Harbottle (Alameda) at 9:06 am. Attending via teleconference and on-line presentation were Midson Hay (Alameda), Jake Carter (Gridley), Melissa Price (Lodi), CJ Berry (Lompoc), Shiva Swaminathan (Palo Alto), Mike Brozo (Plumas-Sierra), Khaly Nguyen (Port of Oakland) Kamryn Hutson (Redding), Brian Schinstock and Ryley Kelly (Roseville), Monica Nguyen (Santa Clara), and Cindy Sauers (Ukiah). Peter Lorenz (non-voting Representative with TID) also attended via teleconference and online presentation. Those attending in person are listed on the attached Attendee Sign-in Sheet. Committee Representatives from BART, Biggs, Healdsburg, Shasta Lake, and TID were absent. A quorum of the Committee was established.

PUBLIC FORUM

No public comment.

- 2. Approval of Minutes form the February 1, 2023 Facilities Committee meeting, and the February 8, 2023 Special Facilities Committee meeting.**

Motion: A motion was made by Shiva Swaminathan and seconded by Khaly Nguyen recommending approval of the minutes from the February 1, 2023 Facilities Committee meeting, and the February 8, 2023 Special Facilities Committee meeting. A vote was taken by roll call: YES = Alameda, Gridley, Lodi, Lompoc, Palo Alto, Plumas-Sierra, Port of Oakland, Redding, Roseville, Santa Clara, and Ukiah. The motion passed.

- 3. All NCPA Facilities, Members, SCPPA – Reliability Optimization, Inc. First Amendment MTCSA** – Staff presented background information and was seeking a recommendation for Commission approval of a First Amendment to the Multi-Task Consulting Services Agreement with Reliability Optimization, Inc. for predictive maintenance testing services, accepting assignment to RTS Reliability Testing Services, LLC, with no changes to the contract term or not-to-exceed amount, for continued use at all facilities owned and/or operated by NCPA, NCPA Members, by SCPPA, and SCPPA Members.

NCPA entered into a five year Multi-Task Consulting Services Agreement with Reliability Optimization, Inc. effective December 6, 2019, for use at all NCPA, NCPA Members, SCPPA, and SCPPA Member facilities.

Effective December 1, 2022, Reliability Optimization, Inc. was acquired by RTS Reliability Testing Services, LLC. NCPA now desires to enter into a First Amendment to the Multi-Task Consulting Services Agreement accepting assignment to RTS Reliability Testing Services, LLC. This enabling agreement does not commit NCPA to any expenditure of funds. At the time services are needed, NCPA will bid the specific scope of work consistent with NCPA procurement policies and procedures. NCPA does not have other agreements in place for similar services at this time.

Motion: A motion was made by Brian Schinstock and seconded by CJ Berry recommending Commission approval authorizing the General Manager or his designee to enter into a First Amendment to the Multi-Task Consulting Services Agreement with Reliability Optimization, Inc. for predictive maintenance testing services, with any non-substantial changes recommended and approved by the NCPA General Counsel, accepting assignment to RTS Reliability Testing Services, LLC, for continued use at any facilities owned and/or operated by NCPA, NCPA Members, by SCPPA, and SCPPA Members. A vote was taken by roll call: YES = Alameda, Gridley, Lodi, Lompoc, Palo Alto, Plumas-Sierra, Port of Oakland, Roseville, Santa Clara, and Ukiah. ABSTAIN = Redding. The motion passed.

- 4. All NCPA Facilities, Members, SCPPA – HRST, Inc. MTGSA –** Staff presented background information and was seeking a recommendation for Commission approval of a five-year Multi-Task General Services Agreement with HRST, Inc. for HRSG related inspection services, with a not to exceed amount of \$1,500,000, for use at all facilities owned and/or operated by NCPA, NCPA Members, by SCPPA, and SCPPA Members.

This is an existing NCPA vendor. The current agreement is expiring. NCPA has utilized this vendor in the past, and has a good working relationship with this vendor. NCPA desires to enter into this agreement so established terms and conditions are in place should this vendor be the successful bidder on future purchases. This enabling agreement does not commit NCPA to any expenditure of funds. At the time services are needed, NCPA will bid the specific scope of work consistent with NCPA procurement policies and procedures. NCPA has agreements in place for similar services with Groome Industrial, Nooter Eriksen (pending) and Tetra Engineering.

Motion: A motion was made by Jiayo Chiang and seconded by Mike Brozo recommending Commission approval authorizing the General Manager or his designee to enter into a Multi-Task General Services Agreement with HRST, Inc. for HRSG related inspection services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$1,000,000 over five years, for use at all facilities owned and/or operated by NCPA, NCPA Members, by SCPPA and SCPPA Members. A vote was taken by roll call: YES = Alameda, Gridley, Lodi, Lompoc, Palo Alto, Plumas-Sierra, Port of Oakland, Roseville, Santa Clara, and Ukiah. ABSTAIN = Redding. The motion passed.

- 5. All NCPA Facilities, Members, SCPPA – Swaim Biological Incorporated MTPSA –** Staff provided background information and was seeking a recommendation for Commission approval of a five-year Multi-Task Professional Services Agreement with Swaim Biological Incorporated for biological monitoring and support services, with a not to exceed amount of \$500,000, for use at all facilities owned and/or operated by NCPA, NCPA Members, by SCPPA, and SCPPA Members.

The current agreement with CH2M Hill Engineers, our current vendor for these services, is expiring. CH2M is no longer offering these services and recommended Swaim Biological Incorporated. NCPA desires to enter into this agreement so established terms and conditions are in place should this vendor be the successful bidder on future purchases. This enabling agreement does not commit NCPA to any expenditure of funds. At the time services are needed, NCPA will bid the specific scope of work consistent with NCPA procurement policies and procedures. NCPA has an agreement in place for similar services with Stratus Environmental.

Motion: A motion was made by Cindy Sauers and seconded by Mike Brozo recommending Commission approval authorizing the General Manager or his designee to enter into a Multi-Task Professional Services Agreement with Swaim Biological Incorporated for biological monitoring and support services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$500,000 over five years, for use at any facilities owned and/or operated by NCPA, NCPA Members, by SCPPA and SCPPA Members. A vote was taken by roll call: YES = Alameda, Gridley, Lodi, Lompoc, Palo Alto, Plumas-Sierra, Port of Oakland, Roseville, Santa Clara, and Ukiah. ABSTAIN = Redding. The motion passed.

- 6. All NCPA Facilities, Members, SCPPA – Control Components, Inc. First Amendment to MTGSA-EMS** – Staff presented background information and was seeking a recommendation for Commission approval of a First Amendment to the Multi-Task General Services Agreement and Agreement for Purchase of Equipment, Materials and Supplies with Control Components, Inc. for valve and vent maintenance services, accepting assignment to IMI Critical Engineering, LLC with no changes to the contract term or not-to-exceed amount, for continued use at all facilities owned and/or operated by NCPA, NCPA Members, by SCPPA, and SCPPA Members.

NCPA entered into a five year Multi-Task General Services Agreement and Agreement for Purchase of Equipment, Materials and Supplies with Control Components, Inc. effective January 26, 2022, for use at all NCPA, NCPA Member, SCPPA, and SCPPA Member facilities. Effective January 1, 2023, Control Components, Inc. changed their name to IMI Critical Engineering LLC. NCPA now desires to enter into a First Amendment to the Multi-Task General Services Agreement and Agreement for Purchase of Equipment, Materials and Supplies accepting assignment to IMI Critical Engineering LLC. This five year contract does not commit NCPA to any expenditure of funds. When these services are required, NCPA will bid the specific scope of work consistent with NCPA procurement policies and procedures. NCPA currently has no other agreements in place for similar services. Two other agreements are currently pending with Carter Process Control, and Millennium Power.

Motion: A motion was made by Shiva Swaminathan and seconded by Brian Schinstock recommending Commission approval authorizing the General Manager or his designee to enter into a First Amendment to the Multi-Task General Services Agreement and Agreement for Purchase of Equipment, Materials and Supplies with Control Components, Inc. for valve and vent maintenance services and parts, with any non-substantial changes recommended and approved by the NCPA General Counsel, accepting assignment to IMI Critical Engineering LLC, for continued use at any facilities owned and/or operated by NCPA, NCPA Members, by SCPPA, and SCPPA Members. A vote was taken by roll call: YES = Alameda, Gridley, Lodi, Lompoc, Palo Alto, Plumas-Sierra, Port of Oakland, Roseville, Santa Clara, and Ukiah. ABSTAIN = Redding. The motion passed.

INFORMATIONAL ITEMS

- 7. Proposed FY2024 Annual Budget Review** – Staff presented the draft budget for FY 2024, and asked for additional Member input of final recommendations for Commission approval in April.

FY 2024 Annual Budget Changes from February include:

- CT2
 - Increased outside services
- LEC
 - Increased legal costs
 - Decreased generation
 - Lower energy sales and ancillary services revenue
 - Reduction of GHG transfer credits

- Reduced variable costs
 - O&M
 - Fuel and LDC
 - GHG emissions
 - Transmission
- Contracts and other resources
 - Increased net load costs
 - Increased transmission costs
 - Increased GHG obligation requirements
 - Decreased member resources energy and owned generation
 - Decreased NCPA contracts
- L&R
 - Increased legal costs
- Judicial Action
 - Increased legal costs for FERC rate cases*
- Power Management
 - Increased PM service revenue
- Pass Throughs – Increased costs
- Overall labor
 - Decreased

The total Generation Resources proposed budget is increasing from \$495,485,438 to \$640,370,151 for an increase of \$144,884,713 at 29.2%. This is largely due to the generation forecast, increased projects, reserves, revenue due to MWh, and the forward curves impacting volume changes. Transmission costs are increasing from \$168,782,370 to \$195,762,030 for an increase of \$26,979,660 at 16%. Management services are up 7.4% at \$1,255,797. Lastly, the Member owned generation CAISO energy revenues are also up 50.8% at \$60,173,700. The total adjusted net annual budget cost is increasing from \$562,581,609 to \$674,980,794 for a total overall increase of \$112,399,185 at 20%.

8. New Business Opportunities – Staff provided an update regarding new business opportunities.

NCPA Project Development (PPA) – Zero Waste Energy Development (ZWED)

- SB 1383 Compliance Goal
- 1.6 MW LF Gas – Existing Facility
- Participants: Santa Clara and Palo Alto
- Products: Energy, RPS, RA
- Term: 10 Year Term
- Operations: Seller to act as Scheduling Coordinator
- Price: To Be Discussed
- Negotiation Status: Active

Scheduling Coordinator Services – City of Lodi Strategic Reserve – Lodi is working with CDWR to install additional capacity in support of a State Strategic Reserve Program. This would be a 48+ MW natural gas facility operated by Enchanted Rock. NCPA’s role would be to act as the Schedule Coordinator for the facility interconnected with the City of Lodi. This facility is to only be dispatched under limited circumstances such as CAISO system emergency (EEA1, EEA2, and EEA3) in response to a local transmission emergency. The goal of this project is to be operational in the summer of 2023. Staff is now engaging in initial discussions.

Geysers Geothermal – Next Steps

- Project Participation Percentage Transfer Deadline
 - Deadline: April 30, 2023

- Key Steps Required:
 - Provide written notice of intent to accept transfer to NCPA
 - Execute the Geysers Geothermal Third Phase Agreement by the Transfer Completion Deadline

NCPA Renewables RFP Open Discussion

- Review of current activities
- Discuss successes and opportunities for improvement
- Review direction, identify updates, and adjustments
- Staff is asking for feedback with interest in these projects, and project sizes

9. Meter Maintenance Program Development – Staff provided an update regarding the Meter Maintenance Program Development.

NCPA staff has been experiencing a growing number of challenges without a Meter Maintenance Program. Staff have proposed developing a new Meter Maintenance Program, and is currently working with Ulteig on additional details for the underlying services agreement. A new Meter Maintenance Program Agreement is under development for Member consideration. An Ad Hoc meeting will be scheduled for review with the Members in the next couple of weeks. This item will be brought back to a future meeting for a recommendation for Commission approval.

10. NCPA Generation Services Plant Updates – Plant Staff will provide the Committee with an informational update on current plant activities and conditions.

CTs – CT1 had 4 starts 9 (excitation system commissioning) of 4 forecasted. FYTD total is 89 starts. CT2 had 0 starts of 19 forecasted. FYTD total is 21 starts.

- Planned Outages
 - CT1 Lodi - Outage Complete and Available
 - CT1 Alameda - U1/U2 - **Outage starts today
 - CT2 STIG - 4/1/23 thru 4/30/23
- CT1 Lodi Run Hours
 - YTD hours 11 of 200 Allowed (based on calendar year)
- CT1 Alameda Diesel Hours
 - U1= 3.44 hrs. of 20 (based on rolling year)
 - U2= 4.89 hrs. of 20 (based on rolling year)
- Safety and Environmental
 - No Safety issues to report.
 - Reported an emissions deviation to SJVAPCD for CT1 Lodi on 2/23/23 while performing excitation system commissioning. A letter of explanation to district will follow within 10 days of the notification.
- (NERC) Extreme Cold Weather Reliability Standards EOP-012-1 – Reliability Standard EOP-012-1 represents an improvement to the Reliability Standards and enhances the reliable operation of the Bulk-Power System by requiring generator owners to implement freeze protection measures, develop enhanced cold weather preparedness plans, implement annual training, draft and implement corrective action plans to address freezing issues, and provide cold weather operating parameters to reliability coordinators, transmission operators, and balancing authorities for use in their resource planning.
- Staff reviewed the CAISO Commitment Runs for February 2023.

Geo – There was one safety incident to report for the month of February. An employee slipped on ice resulting an injury. Online safety training is 32% complete. Vegetation continues at Geo. The average net generation level for February was 90.9 MW. Total average net generation was 61.1 GWh. The FY 2023 net generation goal is 734 GWh. FY 2023 actual net generation was 486.3 GWh YTD at 1.3% over the forecasted net generation of 480.3 GWh YTD. There was excessive snow in

the Geysers from February 23 – February 28, 2023. The 2022 Geo Facility Operating Protocol was reviewed. Staff is proposing a change for May 2023. Plant 1, Units 1 and 2, was in an outage from March 1 – 15, 2023. The scope of work is listed below:

- Main Steam Strainer Inspections
- Stretford Repairs
- Plant #1 Circulating Pump Repairs
- Cooling Tower Repairs
- Unit #1 and #2 Trip Testing
- Siemens T3K System Upgrade
- Miscellaneous Repairs

Hydro – Collierville (CV) Power House was at 100% availability and New Spicer Meadows (NMS) Power House was at 92% availability during the month of February. February precipitation was 7.3 inches based on the 5 – Station Index. The snow pack is at 191% of average for this date. Staff reviewed preliminary McKays bathymetry findings.

Hydrology

- **New Spicer Meadows Reservoir Storage**
 - 18,660 acre feet decrease (23%) month-over-month
 - 81,140 acre feet to 62,481 acre feet
 - 73,640 acre feet this time last year
 - Cold watershed; much of the large precipitation fell as snow
 - Forecasts indicate substantial probability of filling/spilling Spicer
 - Optimizing stored water
 - Spicer draft 400 – 450 cfs began January 18
 - Anticipate elevated drafts based on market conditions
 - Monitor snowpack, runoff, and market

11. Planning and Operations Update –

- **Resource Integrations In Progress**
 - City of Lodi Strategic Reserve – June 2023
 - Dagget Solar / Storage – Q3 2023
 - ~~Sandborne Storage – Q4 2023~~
 - Scarlet Solar / Storage – Q3 2023
 - Proxima Solar / Storage – Q1 2024
 - Deer Creek – On Hold

- **Market Conditions** – Staff discussed current market conditions. Wholesale costs in the CAISO’s energy market saw additional costs of \$3 Billion in December and about \$0.9 Billion for the first 25 days of January. CAISO electricity prices increased as a result of higher gas prices, with December seeing a fivefold increase since last year, at an average price of more than \$250/MWh. Prices in all CAISO electric markets have trended higher during periods of high gas prices. A government and FERC investigation is underway as to why the gas prices were so high, and then collapsed—unexplainably. The Pacific Region has extremely low gas storage. Why?

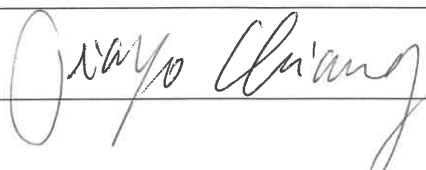
12. Next Meeting – The next regular Facilities Committee meeting is scheduled for April 5, 2023. A Special Facilities Committee meeting has been scheduled for March 15, 2023.

ADJOURNMENT

The meeting was adjourned at 12:07 pm.

**Northern California Power Agency
March 1, 2023 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	
PORT OF OAKLAND	
REDDING	
ROSEVILLE	
SANTA CLARA	
SHASTA LAKE	
TID	
UKIAH	