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Minutes

Date: March 4, 2022
To: NCPA Facilities Committee
From: Carrie Pollo
Subject: March 2, 2022 Facilities Committee Meeting Minutes

- 1. Call meeting to order & Roll Call** – The meeting was called to order by Committee Chair Jiayo Chiang (Lodi) at 9:03 am. Attending via teleconference and/or on-line presentation were Alan Harbottle (Alameda), Mark Sorensen (Biggs), Cliff Wagner (Gridley), Melissa Price (Lodi), Shiva Swaminathan (Palo Alto), Khaly Nguyen (Port of Oakland), Brian Schinstock and Mihaela Curiel (Roseville), and Basil Wong (Santa Clara). Owen Goldstrom (non-voting Representative with TID) attended via teleconference. Those attending in person are listed on the attached Attendee Sign-in Sheet. Committee Representatives from BART, Healdsburg, Lompoc, Plumas-Sierra, Redding, TID, and Ukiah were absent. A quorum of the Committee was established.

PUBLIC FORUM

No public comment.

OPEN SESSION

DISCUSSION / ACTION ITEMS

- 2. Approval of Minutes from the February 2, 2022 Facilities Committee meeting, and the February 10, 2022 Special Facilities Committee meeting.**

Motion: A motion was made by Brian Schinstock and seconded by Basil Wong recommending approval of the February 2, 2022 Facilities Committee meeting minutes, and the February 10, 2022 Special Facilities Committee meeting minutes. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Palo Alto, Port of Oakland, Roseville, and Santa Clara. The motion passed.

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

NCPA currently has an agreement in place with Epidendio Construction, Inc., which is expiring. NCPA has utilized this vendor in the past, and has a good working relationship with the 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 projects. NCPA has agreements in place for similar services with Gifford's Backhoe Service, Rege Construction, Granite Construction and Ancon Marine dba Ancon. 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. A draft Commission Staff Report and the draft agreement were available for review. It is recommended to place this item on the Commission Consent Calendar.

Motion: A motion was made by Alan Harbottle and seconded by Basil Wong recommending Commission approval authorizing the General Manager or his designee to enter into a Multi-Task General Services Agreement with Epidendio Construction, Inc. for maintenance services, including grading, excavation, paving, all phases of concrete, seal coating, gravel and/or water hauling, 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 any facilities owned and/or operated by NCPA, NCPA Members, by SCPPA, and SCPPA Members. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Palo Alto, Port of Oakland, Roseville, and Santa Clara. The motion passed.

4. **NCPA Facilities, Members, SCPPA – Alliance Cooling Products and Construction, Inc. MTGSA** – Staff presented background information and was seeking a recommendation for Commission approval of a five-year Multi-Task General Services Agreement with Alliance Cooling Products and Construction, Inc. for maintenance services including cooling tower structures and equipment and fiberglass piping, with a not to exceed amount of \$1,000,000, for use at all facilities owned and/or operated by NCPA, NCPA Members, by SCPPA, and SCPPA Members. All purchase orders will be issued following NCPA procurement policies and procedures.

NCPA currently has an agreement in place with Alliance Cooling Products And Construction, Inc., which is expiring. NCPA has utilized this vendor in the past, and has a good working relationship with the 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 projects. NCPA has agreements in place for similar services with EvapTech, Inc., American Cooling Tower, Inc., and Energy Options, Inc. 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. A draft Commission Staff Report and the draft agreement were available for review. It is recommended to place this item on the Commission Consent Calendar.

Motion: A motion was made by Brian Schinstock and seconded by Jiayo Chiang recommending Commission approval authorizing the General Manager or his designee to enter into a Multi-Task General Services Agreement with Alliance Cooling Products And Construction, Inc. for maintenance services, including cooling tower structures and equipment, Stretford systems, buildings, structures, fiberglass piping, and other miscellaneous maintenance 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 any facilities owned and/or operated by NCPA, NCPA Members, by SCPPA, and SCPPA Members. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Palo Alto, Port of Oakland, Roseville, and Santa Clara. The motion passed.

5. **NCPA Geothermal Facility – Westgate Petroleum Company, Inc. MTEMS** – Staff provided background information and was seeking a recommendation for Commission approval of a five-year Multi-Task Agreement for Purchase of Equipment, Materials and Supplies with Westgate Petroleum Company, Inc. for delivery of fuels, oils, lubricants and other petroleum products, with a not to exceed amount of \$1,000,000, for use at NCPA's Geothermal Facility.

NCPA currently has an agreement in place with Westgate Petroleum Company, Inc., which is expiring. NCPA has utilized this vendor in the past, and has a good working relationship with the 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 projects. NCPA has agreements in place for similar services with Redwood Coast Fuels, Valley Pacific Petroleum Services, Inc., and Southern Counties Lubricants, 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. This agreement is for use only at the Geothermal facility due to the chemical supplies. A draft Commission Staff Report and the draft agreement were available for review. It is recommended to place this item on the Commission Consent Calendar.

Motion: A motion was made by Cliff Wagner and seconded by Mark Sorensen recommending Commission approval authorizing the General Manager or his designee to enter into a Multi-Task Agreement for Purchase of Equipment, Materials and Supplies with Westgate Petroleum Company, Inc. for delivery of fuels, oils, lubricants and other miscellaneous petroleum products, 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 NCPA's Geothermal facility. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Port of Oakland, Roseville, and Santa Clara. ABSTAIN = Palo Alto. The motion passed.

- 6. All NCPA Facilities, Members, SCPPA – Energy Project Solutions, LLC First Amendment to MTGSA** – Staff provided background information and was seeking a recommendation for Commission approval of a First Amendment to the current five-year Multi-Task General Services Agreement with Energy Project Solutions, LLC, for Alameda pipeline operations and maintenance services as well as general services at all facilities, changing the name from Energy Project Solutions, LLC to EverLine Compliance CA, LLC, for continued use at all facilities owned and/or operated by NCPA, NCPA Members, by SCPPA, and SCPPA Members. All purchase orders will be issued following NCPA procurement policies and procedures.

NCPA entered into a five year Multi-Task General Services Agreement with Energy Project Solutions, LLC effective June 1, 2020, for use at all NCPA, NCPA Member, SCPPA, and SCPPA Member facilities. Effective October 25, 2021, Energy Project Solutions, LLC changed its name to EverLine Compliance CA, LLC. NCPA now desires to enter into a First Amendment to the Multi-Task General Services Agreement accepting assignment to EverLine Compliance CA, LLC. Due to the fixed price for current pipeline operations, NCPA does not have any other agreements for similar services in place at this time. 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. A draft Commission Staff Report and the original agreement, and draft first amendment were available for review. It is recommended to place this item on the Commission Consent Calendar.

Motion: A motion was made by Basil Wong and seconded by Mark Sorensen recommending Commission approval authorizing the General Manager or his designee to enter into a First Amendment to the Multi-Task General Services Agreement with Energy Project Solutions, LLC for pipeline operations maintenance services, with any non-substantial changes recommended and approved by the NCPA General Counsel, accepting assignment to EverLine Compliance CA, 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, Biggs, Gridley, Lodi, Palo Alto, Port of Oakland, Roseville, and Santa Clara. The motion passed.

- 7. Proposed FY 2023 Annual Budget Review** – Staff provided an update to the FY 2023 draft budget information for review and discussion.

FY 2023 budget changes after the February Facilities Committee meeting include:

- Administrative Svc/Executive
 - Increased GM Contingency
 - Decreased project/operational costs
 - Increased insurance costs
- Hydro
 - Decreased generation
 - Decreased revenue
 - Increased ISO costs
- Geo
 - Increased project costs
 - Increased casual employee count
- LEC
 - Decreased revenue/costs
 - Decreased projects
- Contracts and other resources
 - Increased member contracts
 - Increased load aggregation costs
 - Increased transmission costs
 - Increased GHG obligation requirements
- Power Management
 - Increased costs
 - Decreased PM service revenue
- Pass Throughs – Decreased costs

***** Committee Chair Jiayo Chiang adjourned the meeting at 10:11 am *****
***** Committee Chair Jiayo Chiang reconvened the meeting at 10:48 am *****

The power forward curves, and a dry year for hydro are really impacting the FY 2023 budget. The total net proposed Hydro budget for FY 2023 is approximately \$33,513,720, with a net increase of \$4,391,105 to Project Participants. The total proposed Geo budget is approximately (\$2,666,233) with a net decrease to Project Participants of (\$14,505,708), due to an increase of revenues by \$15,811,171. The CT1 proposed budget is \$2,493,319 for a net decrease of (\$3,261,794) to Project Participants, mainly due to a decrease in projects. The CT2 proposed budget is \$3,779,988 with a net decrease of (\$1,860,578) to the Project Participants, due to an increase in revenues. Power Management's budget has a slight increase of \$386,336 for a total proposed budget of \$12,176,060. And the Executive and Administrative Services proposed budget is increasing by \$1,234,922 for a total of \$17,803,696. Salaries and benefits are increasing by approximately \$1.1 million dollars. The total overall proposed FY 2023 adjusted net annual budget cost is \$567,411,239 with a \$120,407,756 total increase at 26.9%. This increase is largely due to plant projects, reserves, generation output, and market conditions.

The next steps in this process include presenting to the Utility Director's and Commissioners in March for review. Then final adjustments and allocations following those reviews. With Facilities Committee final review and a recommendation for Commission approval in April. The proposed budget has been published to NCPA Connect for review. Please contact staff with any questions you may have.

INFORMATIONAL ITEMS

8. New Business Opportunities – Staff presented an update on new business opportunities.

NCPA Renewables RFP Recent Proposals

- Calpine Geothermal Offer (Geysers)
 - Term: 10 years commencing 1/1/2023
 - Volume: 50 MW base 7x24; potentially up to an additional 25 MW
 - Price: To Be Discussed
 - All other terms per the term sheet dated May 6, 2020
- Clearway Renew LLC (Victory Pass / Arica PV + BESS)
 - Term: 20 years
 - Product: 69.5 MW PV plus 15 MW RA only BESS
 - Price: PV Index-plus for PCC1 RECs @ \$11/MWh AND \$5/kW-month for RA
 - Estimated COD: June 2024
- Calpine BESS Offer
 - Project: Bear Canyon and West Ford Flat BESS
 - Size: 13 MW / 52 MWh and 25 MW / 100 MWh
 - Term: 15 Years
 - Product: Full Toll or RA Only
 - Price: to be Discussed
- Clearway Renew LLC (Luna Valley PV + BESS)
 - Term: 15 years
 - Size: 200 MW Renewable Generating Capacity (Solar PV) plus up to 168.5 MW (4 hour duration) BESS
 - Estimated COD: December 31, 2024

Staff is working to re-issue the NCPA Renewables RFP and will seek a request for updated proposals in the next week or two. Information currently stored on NCPA Connect will be updated, and staff will coordinate a periodic ad hoc review group to evaluate current proposals and interest.

- 9. NCPA Inter-Agency Resource Plan (IARP) –** Staff provided an overview on the development of the NCPA IARP, including background on the Scope of Work to be included in the RFP, as well as the proposed timeline for this project.

On April 29th, 2021 the NCPA Commission approved the Strategic Plan for 2021 – 2026. The Strategic Plan highlights the current and future goals needed to support both NCPA and its Members. Within the Strategic Plan, NCPA committed to evaluate its resources and assets to better optimize its strengths and areas of repurposing facilities and preparing for sustainable growth. Strategic priorities were set and one of these priorities includes preparation.

Preparation, as defined in the Strategic Plan, is to develop and maintain a diverse generation resource portfolio in accordance with or exceeding renewable portfolio standard and capacity obligations. To prepare for this, multiple goals were set including the creation of a specific Inter-Agency Resource Plan (IARP). The IARP is to be developed based on Members Integrated Resource Plans (IRP). Within the Strategic Plan, the NCPA IARP lists two deliverables: (1) Develop and execute a RFP for support; and (2) prepare a NCPA IARP.

Development and Scope of Service for the RFP will include the following:

- Executive Summary
- NCPA Background, Assumptions, and Purpose
- Energy and Peak Demand Forecasts
- Resources and Capacity
- Resource Balance
- RPS Status

- Planning Scenario and Recommendations
- Conclusion – Summarize the major highlights of energy and capacity shortfalls, both in short-term and long-term positions, and finally recommend steps to optimize NCPA's current assets, repurpose, and/or develop new resources

The estimated budget cost is NTE \$200,000 and allocated under the Generations Service Shared account (025). The Generation Shared account is allocated to each of the plant budgets. Actual costs will come from a competitive RFP process. The proposed completion of the NCPA IARP is October 5, 2022. Please contact Generation Services with any questions.

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

Geo – There were no safety incidents to report for the month of February. Cold weather from February 21 – 25, 2022 kept staff alert due to freezing conditions. The average estimated net generation level for the month was 94.1 MW. Total estimated net generation was 63.2 GWh. FY 2022 forecasted net generation is 488.1 GWh YTD. FY 2022 actual net generation is 547.2 GWh YTD at 12% over forecast. Emergency maintenance activities for the month included a Stretford Tank leak at penetration which was repaired, replacing damaged Plant 1 cooling tower louvers from a high wind event, and a steam leak from a corroded fitting at the Steam Field. Routine maintenance activities for the Plant 2 overhaul preparation included Unit 3 hydrogen coolers to be cleaned and installed in Unit 4, and Unit 3 condensate pumps to be refurbished and used in Unit 4. And routine maintenance activities for the Plant 1 outage, March 21 – 31, 2022, preparation included testing new bushings for Unit 1.

CTs – February was a busy month for the CTs. CT1 had 40 actual starts, bringing the FYTD total to 184, of 20 forecasted. CT2 had 0 starts this month, of 6 forecasted, with the FYTD total at 47 starts. Alameda Unit 1 was in a forced outage due to an oil system leak. Alameda Unit 2 was also in a forced outage due to the AVR. There were no planned outages for the month. CT1 Lodi has used 1.6 hours of 200 allowed based on a calendar year. CT1 Alameda Diesel Unit 1 has used 15.5 hours of 20, and Unit 2, 13.2 hours of 20, based on a rolling year. Staff reviewed the CAISO Commitment Runs for February 2022.

Hydro – Collierville (CV) Power House was 100% available during the month of February. New Spicer Meadows Power House was at 86% availability due to PG&E transmission. New Spicer Meadows storage increased by 5,400 acre feet at 8% month over month from 68,500 acre feet to 73,900 acre feet. There was .2 recordable precipitation for the month of February, dropping the California snow water content to 66% of average for this time of year in Central California. Current events during the month include 230 kV vegetation management, FM Global risk reduction and information requests, USGS water year review, dam maintenance applications for FERC, EAP for Union Dam, and the annual meeting with the USFS. Maintenance included CV E-Gen testing and repairs, and Utica outlet repairs. Cold weather protection was implemented at Beaver Creek Penstock due to freezing conditions.

11. Planning and Operations Update –

- **Resource Integrations in Progress**
 - Camp Far West (SVP) – March 2022 – Currently in SCADA testing
 - Antelope Solar (NCPA) – TBD – Currently waiting for solar panels
 - Deer Creek (Lodi and Port of Oakland) – April 11, 2022 – RECs and RA
 - Tulare Solar (EBCE) – March 31, 2022 / April
 - Sandborne Storage (EBCE) – June 30, 2022

- **Key Activities Looking Forward**
 - Business Continuity and Resiliency
 - Resource Integration
 - Summer 2022 Readiness
 - Meter Maintenance Program
 - Industry Restructuring
 - EDAM
 - Resource Adequacy Design
 - Focus on Strategic Planning Goals

12. Next Meeting – The next Facilities Committee meeting is scheduled for April 6, 2022.

ADJOURNMENT

The meeting was adjourned at 12:23 pm by Committee Chair, Jiayo Chiang.