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Minutes

Date: April 8, 2019
To: NCPA Facilities Committee
From: Carrie Pollo
Subject: April 3, 2019 Facilities Committee Meeting Minutes

- 1. Call meeting to order & Roll Call** – The meeting was called to order by Committee Chair Tikan Singh at 9:02 am. A sign-in sheet was passed around. Attending via teleconference and/or on-line presentation were Alan Harbottle (Alameda), Mark Sorensen (Biggs), Paul Eckert (Gridley), Shiva Swaminathan, (Palo Alto), Jared Carpenter (Port of Oakland), Brian Schinstock (Redding), and, Paulo Apolinario and Steve Hance (Santa Clara). Those attending in person are listed on the attached Attendee Sign-in Sheet. Committee Representatives from BART, Healdsburg, Plumas-Sierra, TID, and Ukiah were absent. A quorum of the Committee was established.

PUBLIC FORUM

No public comment.

- 2. Approve Minutes from the March 6, 2019 Facilities Committee Meeting, and March 12, 2019 Special Facilities Committee Meeting.**

Motion: A motion was made by Jiayo Chiang and seconded by Brian Zard recommending approval of the March 6, 2019 Facilities Committee meeting minutes, and the March 12, 2019 Special Facilities Committee meeting minutes. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Lompoc, Palo Alto, Redding, Roseville, and Santa Clara. The motion passed.

- 3. All Generation Services Facilities, Members, SCPPA – American Power Systems, Inc. MTGSA** – Staff provided background information and was seeking a recommendation for Commission approval of a five-year Multi-Task General Services Agreement with American Power Systems, Inc. for battery services, with a not to exceed amount of \$500,000 for use at all facilities owned and/or operated by NCPA, its Members, SCPPA, and SCPPA Members. This is a renewal agreement with an existing vendor. It is an enabling agreement with no commitment of funds. Since there is no engineering services provided in this agreement, General Counsel recommended making minor changes in section 5.2 of the agreement, by changing to the standard provisions. All purchase orders issued pursuant to the agreement will be charged against approved Annual Operating Budgets. A draft Commission Staff Report and the draft agreement were available for review.

Motion: A motion was made by Brian Zard 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 American Power Systems, LLC for battery related 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 all facilities owned and/or operated by NCPA, its Members, by the Southern California Public Power Authority (“SCPPA”), or by SCPPA Members. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Lompoc, Palo Alto, Redding, Roseville, and Santa Clara. The motion passed.

- 4. All Generation Services Facilities, Members, SCPPA - WorleyParsons Group, Inc. MTPSA** – Staff presented and was seeking a recommendation for Commission approval of a five-year Multi-Task Professional Services Agreement with Worley Parsons Group, Inc. for project support services, 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. This is a renewal agreement with an existing vendor. It is an enabling agreement with no commitment of funds. The vendor will provide full service engineering. All purchase orders issued pursuant to the agreement will be charged against approved Annual Operating Budgets. A draft Commission Staff Report and the draft agreement were available for review.

Motion: A motion was made by Jiayo Chiang and seconded by Brian Zard recommending Commission approval authorizing the General Manager or his designee to enter into a Multi-Task Professional Services Agreement with WorleyParsons Group, Inc. for project support services related to plant operations, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$1,500,000 over five years, for use at all facilities owned and/or operated by NCPA, its Members, by the Southern California Public Power Authority (“SCPPA”), or by SCPPA Members. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Lompoc, Palo Alto, Redding, Roseville, and Santa Clara. The motion passed.

- 5. All Generation Services Facilities, Members, SCPPA – Johnson Controls, Inc., MTGSA–** Staff presented and was seeking a recommendation for Commission approval of a five-year Multi-Task General Services Agreement with Johnson Controls, Inc. for HVAC and chiller maintenance related services, with a not to exceed amount of \$500,000 for use at all facilities owned and/or operated by NCPA, its Members, SCPPA, and SCPPA Members. This is a renewal agreement with an existing vendor. It is an enabling agreement with no commitment of funds. Staff is also searching for other vendors that can provide this type of work. All purchase orders issued pursuant to the agreement will be charged against approved Annual Operating Budgets. A draft Commission Staff Report and the draft agreement were available for review.

Motion: A motion was made by Brian Zard 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 Johnson Controls, Inc. for HVAC and chiller maintenance related 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 all facilities owned and/or operated by NCPA, its Members, by the Southern California Public Power Authority (“SCPPA”), or by SCPPA Members. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Lompoc, Palo Alto, Redding, Roseville, and Santa Clara. The motion passed.

- 6. All Generation Services Facilities, Members, SCPPA – GEI Consultants, Inc., MTPSA–** Staff provided background information and was seeking a recommendation for Commission approval of a five-year Multi-Task Professional Services Agreement with GEI Consultants, Inc. for engineering services, with a not to exceed amount of \$1,000,000 for use at all facilities owned and/or operated by NCPA, its Members, SCPPA, and SCPPA Members. GEI

Consultants is an international engineering company with multidisciplinary expertise. NCPA has relied on GEI for regulatory compliance and engineering services. Past projects with GEI over the last 5 years include Dam Safety Part 12 Study Independent Consultants and the newly required Owner Dam Safety Program Audit. This is an enabling agreement, with no commitment of funds. All purchase orders issued pursuant to the agreement will be charged against approved Annual Operating Budgets. A draft Commission Staff Report and the draft agreement were available for review.

Motion: A motion was made by Jiayo Chiang and seconded by Brian Zard recommending Commission approval authorizing the General Manager or his designee to enter into a Multi-Task Professional Services Agreement with GEI Consultants, Inc. for engineering 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, its Members, by the Southern California Public Power Authority ("SCPPA"), or by SCPPA Members. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Lompoc, Palo Alto, Redding, Roseville, and Santa Clara. The motion passed.

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

Geo – There were no safety incidents to report for the month of March. Safety review topics during March included asbestos awareness and, a Lock-out Tag-out (LOTOT) review, which was perfect timing for the plant overhauls scheduled in April. Plant #2 was down for 77 hours to repair the Gland Steam Leak-off System. The estimated loss in generation was approximately 1500 MWh during the outage. The Plant #1 overhaul for Unit #2 has started and is scheduled from April 1 – May 10, 2019. Plant and Steam Field LOTOT has been established, and the cooling tower has been drained. Work is progressing on the turbine with generator inspection and repair, condenser cleaning, ball cleaning system, steam ejector replacement, and electrical cleaning and testing. The overhaul for Unit #1 is scheduled from April 22 – May 26, 2019.

CTs – Alameda Unit #2 was in a forced outage for 5 days because of a switchgear failure. The wires were changed out in the switchgear, so the unit is back up and running now. The West Turner Road facility is almost finished with repair work. There are currently no issues at STIG, and not much action. LEC is in a full outage that started April 1st. Ethos is currently on site at both LEC and Turner Road locations.

Hydro – The New Spicer Meadow Reservoir is close to empty now, at 60,000 acre feet, after peaking last June. Water is being actively moved to make room for the 2019 snow melt. Precipitation is at 127% of normal or 42.5 inches of rain. The snow pack is now 165% of normal, approximately where it was in 2016-2017. More snow is forecasted for this weekend at 12-18 inches. McKays may spill more water pending how the snow melt occurs. There will also be some impacts with tail water which is out of NCPA's control.

8. Proposed FY2020 Annual Budget Review and Approval – Staff reviewed the final budget, including each business unit for FY2020, and was seeking a recommendation for Commission approval of the budget.

Generation Services FY2020 Budget Review

- **Hydro FY2020 Budget:** Staff reviewed the updated FY2020 proposed budget. The overall budget includes a \$2.2 million increase for a total proposed amount of \$54 million. Routine O&M is up 6.3%, labor is up 6.2%, CAISO charges are up by \$600,000, and the Capital Reserve Fund is up \$3.3 million, due mainly to the Collierville Rewind Project and the McKays Cleanout Project. Revenues are up due to the higher estimated market prices. Net revenue assumptions is \$26.7 million. The net budget cost is \$27.4

million with an increase to participant's costs by \$53,722. The proposed projects remain the same, with a total cost of \$4,775,000.

- **Geo FY2019 Budget:** Staff reviewed the updated FY2020 proposed budget. The total FY2020 proposed budget is \$35.3 million, which is an increase over the FY2019 budget of \$885,600. Routine O&M is up 2.0%, labor is up 5.0%, CAISO charges are up by \$333,000, project O&M costs are up by \$495,000, and revenues are up due to the higher estimated market prices. Net revenue assumptions is \$30.7 million. The net project cost to participants is down to \$4.6 million, which is a decrease of \$2.4 million. The Network Infrastructure Improvement Project has been removed, which brings the total project cost down by \$68,000.

CT's FY2020 Budget: Staff reviewed the updated FY2020 proposed budget for the CTs.

- **CT1 FY2020 Budget:** The proposed budget for CT1 decreased \$1.9 million, for a total FY2020 budget of \$6.2 million. Routine O&M is up by 64%, labor is up by 31%, which includes a request for one new full time employee, other costs are up by \$1.4 million, the Capital projects are down \$3.4 million, and net revenues are up due to the higher estimated market prices and increased generation. The total cost to participants is decreasing by \$2.6 million. The NFPA Purge Credit Project has been removed, bringing the total project cost down by \$600,000.
- **CT2 FY2020 Budget:** The proposed budget for CT2 increased \$695,557 for a total FY2020 budget of \$9.4 million. Routine O&M costs is up 14%, labor is up 2.7%, other costs are up by \$337,000, replenishment to the maintenance reserve of \$350,000, and net revenues are up due to the higher estimated market prices and increased generation, decreasing the cost to participants by \$419,756. The proposed projects remain the same, which will be at a bare minimum to maintain running the plant through the proposed project end date of 2026.

Power Management FY2020 Budget Review

There have no changes to the Power Management proposed FY2020 Budget since the last review during the Special Facilities Committee Meeting on March 12. Labor is up 1.9%, with non-personnel costs down by 14%, due to less travel, office supplies, and administrative liquidation. The A&G costs are projected to decrease by approximately \$90,000. Overall a net reduction by \$75,000 for a total proposed FY2020 Power Management budget of \$10.6 million. The Power Management budgeted revenues will increase at a minimum of \$350,000. If services customers renew contracts, the forecasted revenues will increase \$2.5 million.

Administrative Services FY2020 Budget Review

The Executive and Administrative Services FY2020 proposed budget was reviewed. Labor is up by 2.6%, with non-personnel down across all departments except Information Technology. The projects proposed decreased by \$445,000. The overall reduction is almost \$500,000, for a total proposed budget of \$15.3 million.

The proposed FY2020 budget will be published to NCPA Connect for Member review, per business unit details, participant funding, and a 10-year forecast. Staff will finalize the remaining budget package. Any changes will be only immaterial adjustments. The Utility Directors and Commissioners will review in April. Staff will seek Commission approval in May.

Motion: A motion was made by Brian Zard and seconded by Shiva Swaminathan recommending Commission approval of the FY2020 budget as presented in the Facilities Committee Meeting April 3, 2019 for Generation Services, Administrative Services, and Power Management subject

to non-substantive modifications. A vote was taken by roll call: YES = Alameda, Gridley, Lodi, Lompoc, Palo Alto, Redding, Roseville, and Santa Clara. The motion passed.

- 9. All NCPA Facilities, Members, SCPPA – Trimark Associates, Inc. MTGSA** – Staff presented and was seeking a recommendation for Commission approval of a five-year Multi-Task General Services Agreement with Trimark Associates, Inc. to provide meter related (installation, maintenance, data acquisition, telemetry, etc.) services as requested, with a not to exceed amount of \$2,000,000 for use at all facilities owned and/or operated by NCPA, its Members, SCPPA, and SCPPA Members. This is an enabling agreement with no commitment of funds. All purchase orders issued pursuant to the agreement will be charged against approved Annual Operating Budgets. A draft Commission Staff Report and the draft agreement were available for review.

The purpose of this agreement is to consolidate a majority of existing agreements with Trimark Associates, Inc. under one enabling structure, with the exception of BART's Meter Data Management Agreement, and the Member Meter Maintenance Agreement. Another reason is to move away from a sole source provider, as well as allowing members to be able to use this agreement through shared support services for bidding. The General Manager recommended adding language in the Staff Report pertaining to the fact that Pacific Power Engineers, Inc. is another vendor that can provide the same services.

Motion: A motion was made by Jiayo Chiang and seconded by Brian Zard recommending Commission approval authorizing the General Manager or his designee to enter into a Multi-Task General Services Agreement with Trimark Associates, Inc. for revenue meter related services, including any non-substantial changes recommended and approved by the NCPA General Counsel, and shall not exceed \$2,000,000 over five years, for use at all facilities owned and/or operated by NCPA, its Members, by the Southern California Public Power Authority ("SCPPEA"), or by SCPPEA Members. A vote was taken by roll call: YES = Alameda, Gridley, Lodi, Lompoc, Palo Alto, Port of Oakland, Roseville, and Santa Clara. The motion passed.

- 10. All NCPA Facilities, Members, SCPPEA – Pacific Power Engineers MTGSA** – Staff presented and was seeking a recommendation for Commission approval of a five-year Multi-Task General Services Agreement with Pacific Power Engineers to provide meter related (installation, maintenance, data acquisition, telemetry, etc.) services as requested, with a not to exceed amount of \$2,000,000 for use at all facilities owned and/or operated by NCPA, its Members, SCPPEA, and SCPPEA Members. This is an agreement with a new vendor similar to the agreement with Trimark Associates, Inc. for competitive bidding. Pacific Power Engineers is a CAISO approved Meter Company. It is also recommended to add language in the Staff Report with regards to the fact that Trimark Associates, Inc. is another vendor that can provide the same services. This is an enabling agreement with no commitment of funds. All purchase orders issued pursuant to the agreement will be charged against approved Annual Operating Budgets. A draft Commission Staff Report and the draft agreement were available for review.

Motion: A motion was made by Brian Zard 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 Pacific Power Engineers, Inc. for revenue meter related services, including any non-substantial changes recommended and approved by the NCPA General Counsel, and shall not exceed \$2,000,000 over five years, for use at all facilities owned and/or operated by NCPA, its Members, by the Southern California Public Power Authority ("SCPPEA"), or by SCPPEA Members. A vote was taken by roll call: YES = Alameda, Gridley, Lodi, Lompoc, Palo Alto, Port of Oakland, Roseville, and Santa Clara. The motion passed.

11. RFP for Joint CCA RA Portfolio Management Services – NCPA staff will discuss and review a Joint CCA RFP seeking Resource Adequacy Portfolio Management Services. ***This item was pulled.***

12. Planning and Operations Update –

- CCA Activities – The transition of SJCE and EBCE to their own SCID is 90% complete. These two entities need to complete a few contracting steps with the CAISO to complete the process. This should be done by May.
- Developing CY 2020 RA Peak Demand Forecast – Information due to CEC in the coming weeks.
- Opportunities to Sell Project Attributes – Since NCPA should have a robust hydro production year, NCPA staff are exploring opportunities to sell RPS, GHG-Free and Resource Adequacy to CCA customers. Please contact Tony Zimmer for information regarding contractual requirements.
- SFWPA – A meeting is scheduled on April 10, 2019 with SFWPA. Staff is developing an analysis for valuing of the project. Next steps are to seek Member interest to procure output of project.
- Resource Adequacy Enhancements Update – The CAISO is actively working to overhaul the requirements for RA, such as what counts as RA, as well as outage coordination. NCPA will submit comments.
- Day-Ahead Market Enhancements (DAME) Update – This will be implemented in the fall of 2020, changing the DAM to be scheduled in 15 minute increments. NCPA will need to change all internal software.

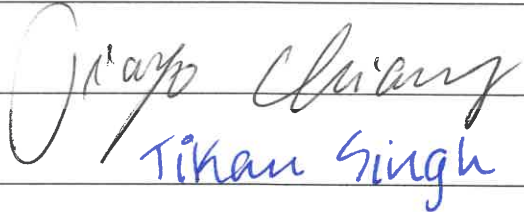

13. Schedule Next Meeting Date – The next regular Facilities Committee meeting is scheduled for May 1, 2019.

ADJOURNMENT

The meeting was adjourned at 11:15 pm.

**Northern California Power Agency
 April 3, 2019 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	
TID	
UKIAH	