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Minutes

Date: April 12, 2018
To: NCPA Facilities Committee
From: Carrie Pollo
Subject: April 4, 2018 Facilities Committee Meeting Minutes

- 1. Call meeting to order & Roll Call** - The meeting was called to order by Committee Vice Chair Tikan Singh at 9:05 am. A sign-in sheet was passed around. Attending via teleconference and/or on-line presentation were Alan Hanger and Debbie Whiteman (Alameda), Mark Sorensen (Biggs), Paul Eckert (Gridley), Jim Stack (Palo Alto), Jared Carpenter (Port of Oakland), and Steve Hance and Kathleen Hughes (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 February 28, 2018 Facilities Committee Meeting, and the February 13 and March 13, 2018 Special Facilities Committee Meetings.** A motion was made by Shannon McCann and seconded by Jiayo Chiang recommending approval of the February 28, 2018 Facilities Committee meeting minutes, and the February 13 and March 13, 2018 Special Facilities Committee meeting minutes. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Lompoc, Palo Alto, Port of Oakland, Roseville, and Santa Clara. The motion passed.
- 3. Geothermal Facilities Decommission Funding Schedule** – Staff presented background information and was seeking a recommendation from the Facilities Committee for Commission approval of a modified Decommission Funding Schedule for the Geothermal Facility based on the 2016 Decommission Study. A draft Commission Staff Report with the draft Resolution were available for review.

Motion: A motion was made by Shannon McCann and seconded by Alan Hanger recommending Commission approval stating that the collection of funds for the decommissioning of the Geothermal facilities be modified based on the 2006 and 2016 Decommission Estimates. The recommendation is to continue the current funding schedule

based on the 2006 estimate through FY 2024. Starting in FY 2025, decommission funding will increase to a flat rate of \$2,417,081 per fiscal year through FY 2058. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Lompoc, Roseville, and Santa Clara. ABSTAIN = Palo Alto and Port of Oakland. The motion passed.

- 4. Geothermal Facilities – Geysers Economic Curtailment** – Staff presented background information, and was seeking a recommendation for Commission approval regarding Geysers curtailment due to expected negative pricing.

Motion: A motion was made by Shannon McCann and seconded by Jiayo Chiang recommending Commission approval that the Geothermal facility not be curtailed unless Power prices are a negative price of at least \$25/MW/hr, with a curtailment level maximum of 45 MW. The amount of curtailment may need to be adjusted based upon steam field response. Only Cycle when the daily prices are expected to be at the negative price above for 4 hours or more. Limit cycling to once per day. Staff will also return to Facilities Committee with a report should instances of curtailment occur. YES = Alameda, Biggs, Gridley, Lodi, Lompoc, Roseville, and Santa Clara. ABSTAIN = Palo Alto and Port of Oakland. The motion passed.

- 5. All Generation Services Facilities, Members, SCPPA – Univar USA Inc. MTGSA** – Staff is seeking a recommendation for Commission approval of a Multi-Task General Services Agreement with Univar USA, Inc. for the purchase of chemicals, 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. All purchase orders issued pursuant to the agreement will be charged against approved Annual Operating Budgets. ***This item was pulled from the agenda and will be moved to the May Facilities Committee Meeting.***

- 6. All Generation Services Facilities, Members, SCPPA – Herold and Mielenz Inc. MTGSA** – Staff is seeking a recommendation for Commission approval of a Multi-Task General Services Agreement with Herold and Mielenz, Inc. for motor maintenance services, with a not to exceed amount of \$750,000, for use at all facilities owned and/or operated by NCPA, its Members, SCPPA, and SCPPA Members. All purchase orders issued pursuant to the agreement will be charged against approved Annual Operating Budgets. ***This item was pulled from the agenda and will be moved to the May Facilities Committee Meeting.***

- 7. Geothermal Facilities – TNG Energy Services MTGSA** – Staff gave background information and was seeking a recommendation for Commission approval of a Multi-Task General Services Agreement with TNG Energy Services for labor, materials, and tools for serving wellhead valves and other equipment, with a not to exceed amount of \$750,000, 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 and the draft agreement were available for review.

Motion: A 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 General Services Agreement with TNG Energy Services for labor, materials, and tools to service wellhead valves and other associated equipment as part of NCPA's preventive maintenance and continuing operations, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$750,000 over five years, for use at the Geysers Geothermal Facilities. YES = Alameda, Biggs, Gridley, Lodi, Lompoc, Roseville, and Santa Clara. ABSTAIN = Palo Alto and Port of Oakland. The motion passed.

8. All Generation Services Facilities – Chemical Waste Management Inc. ISA – Staff is seeking a recommendation for Commission approval of an Industrial Services Agreement with Chemical Waste Management, Inc. for industrial waste disposal services, with a not to exceed amount of \$1,500,000, for use at all facilities owned and/or operated by NCPA. All purchase orders issued pursuant to the agreement will be charged against approved Annual Operating Budgets. ***This item was pulled from the agenda and will be moved to the May Facilities Committee Meeting.***

9. All Generation Services Facilities, Members, SCPPA – TNT Industrial Contractors Inc. MTGSA – Staff provided background information and was seeking a recommendation for Commission approval of a Multi-Task General Services Agreement with TNT Industrial Contractors, Inc. for general T&M maintenance services, 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. 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 Monica Padilla recommending Commission approval authorizing the General Manager or his designee to enter into a Multi-Task General Services Agreement with TNT Industrial Contractors, Inc. for general T&M maintenance services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$2,000,000.00 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, Port of Oakland, Roseville, and Santa Clara. The motion passed.

10. All Generation Services Facilities, Members, SCPPA – Halliburton Energy Services Inc. MTGSA – Staff presented background information and was seeking a recommendation for Commission approval of a Multi-Task General Services Agreement with Halliburton Energy Services, Inc. for injection well related 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. 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 Shannon McCann 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 Halliburton Energy Services, Inc. for well related 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, Port of Oakland, Roseville, and Santa Clara. The motion passed.

11. Hydroelectric Owner/Operator Responsibilities – Information-Only – NCPA Hydro staff presented Committee updates on NCPA’s responsibility as a dam owner/operator, and potential industry implications from the 2017 DWR Oroville Spillway incident.

Staff reviewed some of the National historical defining dam failures. The Division of Safety of Dams (DSOD) was formed in 1928 after the St. Francis dam failure. The 2017 DWR Oroville

spillway incident is the biggest dam safety incident of this generation due to the amount of evacuations. Since this incident there has been DSOD repercussions, as well as FERC repercussions. The DSOD is primarily focused on dam safety. NCPA has adopted FERC's principles of a supportive dam safety organization. General regulatory changes include growth in the following areas: physical inspections, comprehensive facility reviews, regulatory compliance and fees, consideration of appurtenant structures, and owners' dam safety programs and dam safety culture. The Potential Failure Mode Analyses (PFMAs) has expanded and will continue to expand to include broader operational/societal impacts. Due to the design of the NCPA hydro projects, safety is not a big concern. NCPA's main concern is cyber security or a terrorist attack.

Current NCPA projects include the McKays Point Spillway Plunge Pool Assessment with significant in-house research, a certified Independent Consultant and FERC review. The Union Dams dam and spillway repairs, with in-house labor planned during the summers of 2018, 2019, and 2020. Others include union inundation mapping investigation and the Owner's Dam Safety Program (ODSP) audit by an independent consultant in 2018. The NCPA hydro projects covered by ODSP include New Spicer Meadows, McKays Point, Alpine, Utica and low hazard dams.

- 12. All Generation Services Facilities, Members, SCPPA – Leidos Engineering, LLC MTPSA –** Staff presented and was seeking a recommendation for Commission approval of a Multi-Task Professional Services Agreement with Leidos Engineering, LLC for transmission and distribution design, and 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. 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 Monica Padilla and seconded by Shannon McCann recommending Commission approval authorizing the General Manager or his designee to enter into a Five Year Multi-Task Professional Services Agreement with Leidos Engineering, LLC for transmission and distribution design and engineering services, with any non-substantial changes recommended and approved by NCPA General Counsel, which shall not exceed \$1,000,000 over five years, for use at all facilities owned and/or operated by the Northern California Power Agency (NCPA), its Members, the Southern California Public Power Authority ("SCPPA"), and SCPPA Members. A vote was taken by roll call: YES = Alameda, Biggs, Lodi, Lompoc, Palo Alto, Port of Oakland, Roseville, and Santa Clara. The motion passed.

- 13. NCPA Generation Services Plant Updates – Informational-Only –** NCPA Plant staff provided the Committee with informational updates on current plant activities and conditions at Hydro and the CTs.

Hydro staff reported that there is now 12 feet of snow at Spicer Meadows. Runoff in the major Sierra river basins now range from 43% to 80% of average, with NCPA's project at 60%. March was a great month, but still not enough. April will be above average. Collierville was forced offline for 8 hours due to the March 22 high tailwater event. The blower upgrade would have helped the curtailment by trimming the time to 5-6 hours instead of 8. There is also a high probability of Collierville high tailwater curtailment on April 7 due to a warm storm.

New Spicer Meadow was in an outage from March 13 – April 3 due to a PG&E cable fault between Salt Springs and Cabbage Patch. NCPA's lost revenue (energy + RECs) was \$9,000. The Collierville Unit 2 Generator is no longer de-rated. The unit has now been returned to full

capacity at 126.5 MW. It was de-rated to 115 MW in June 2017 following interim repair after a stator ground fault. The decision to remove the de-rate was made in consultation with multiple generator experts after reviewing observed current imbalance, heating differentials, and knowing that a full rewind is scheduled for this fall.

CT staff reported that 3 miles of the NCPA 8 mile southern transmission line is being upgraded. This is a PG&E TPP project. This will increase capacity to 700MW, so both LEC and STIG will be able to operate at full output at the same time when this is completed. LEC is 304MW, with STIG at 50MW. The current line is rated at 330MW, so LEC has been de-rated for STIG runs. This is also expected to reduce localized congestion. The CT1 has had 9 starts for the first quarter, so is being used a lot more. Costs are doing better at FY18 capacity cost of \$23 per KW-Yr. YTD compared to FY17 capacity cost of \$29 per KW-Yr. Forecasting is hard for this project.

14. Generation Services Request for Special Facilities Committee Meeting – Generation Services Administration staff presented a proposal for a Special Facilities Committee Meeting to be held in April for review and approval of services to support the NCPA Solar Project Phase 2.

The Committee agreed to schedule a Special Facilities Committee Meeting Tuesday, April 17th, at 10:00 am to discuss this item. ***Since the time of this meeting, the Special Facilities Committee Meeting was cancelled.***

15. Planning and Operations Update –

- The TO18 TAC trail initial brief was on March 23. An updated brief is expected on April 23, with a decision by June 1. There should be significant tariff reductions.
- TO19 is delayed due to a FERC order on tax reduction. PG&E needs to file by 4/16 on tax stated rate.
- Order 890 Complaint – FERC to hold a technical conference on May 1. PG&E, CPUC, TANC, SCE, SC, and NCPA will all be part of the Order 890 discussion at the technical conference in Washington, DC.
- PG&E will be putting out a RFP for renewable energy due to the retirement of the PG&E power plant in Oakland.
- Due to changes approved by the CAISO Board in the CRR auction, CRR revenue will likely be going down.
- East Bay Community Energy (EBCE) and San Jose Clean Energy (SJCE) Services Agreements have been approved for \$630,000 and \$640,000. NCPA is assisting EBCE with procurement of RA for 2018.
- Vela Wann accepted the position in Power Management as the new Energy Resource Analyst II.
- The Bureau of Reclamation is proceeding with a \$10m settlement of the \$93m due to the over payment of power. NCPA will continue to negotiate for the remainder of the over payments due to Members.

16. Schedule next meeting date – The next regular Facilities Committee Meeting is scheduled for May 2, 2018.

ADJOURNMENT

The meeting was adjourned at 11:44 am.

**Northern California Power Agency
 April 4, 2018 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	
LOMPOC	Tikhan Singh
PALO ALTO	Leah [Signature]
PLUMAS-SIERRA REC	
PORT OF OAKLAND	
ROSEVILLE	Shu [Signature]
SANTA CLARA	
TID	
UKIAH	