



651 Commerce Drive
Roseville, CA 95678

phone (916) 781-3636
fax (916) 783-7693
web www.ncpa.com

Minutes

Date: April 14, 2021
To: NCPA Facilities Committee
From: Carrie Pollo
Subject: April 7, 2021 Facilities Committee Meeting Minutes

- 1. Call meeting to order & Roll Call** – The meeting was called to order by Committee Chair Basil Wong (Santa Clara) at 9:04 am. A sign-in sheet was passed around. Attending via teleconference and/or on-line presentation were Alan Harbottle and Vidhi Chawla (Alameda), Mark Sorensen (Biggs), Mike Farr (Gridley), Jiayo Chiang (Lodi), Shiva Swaminathan (Palo Alto), Mike Brozo (Plumas-Sierra), Khaly Nguyen (Port of Oakland), Nick Rossow (Redding), Brian Schinstock (Roseville), and Eric Shum and Monica Nguyen (Santa Clara). Owen Goldstrom (non-voting Member with TID) also attended via teleconference. Those attending in person are listed on the attached Attendee Sign-in Sheet. Committee Representatives from BART, Healdsburg, Lompoc, 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 March 3, 2021 Facilities Committee Meeting.**

Motion: A motion was made by Mark Sorensen and seconded by Jiayo Chiang recommending approval of the March 3, 2021 Facilities Committee meeting minutes. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Palo Alto, Plumas-Sierra, Port of Oakland, Roseville, and Santa Clara. The motion passed.

- 3. All NCPA Facilities, Members, SCPPA – ActiveReservoir, LLC MTCSA –** Staff presented background information and was seeking a recommendation for Commission approval of a five-year Multi-Task Consulting Services Agreement with ActiveReservoir, LLC for well-related consulting 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. All purchase orders will be issued following NCPA procurement policies and procedures.

This is a new agreement with a new vendor. It is an enabling agreement with no commitment of funds. ActiveReservoir, LLC was recommended to NCPA by Fairchild & Wells, which is no longer in

business. 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 currently has agreements in place for similar services with CH2M Hill Engineers, Irani Engineering, and AECOM Technical Services. A draft Commission Staff Report and the draft agreement were available for review. It is recommended that this item be placed on the Commission Consent calendar.

Motion: A motion was made by Brian Schinstock and seconded by Shiva Swaminathan recommending Commission approval authorizing the General Manager or his designee to enter into a Multi-Task Consulting Services Agreement with ActiveReservoir, LLC for well related consulting 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 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, Plumas-Sierra, Port of Oakland, Redding, Roseville, and Santa Clara. The motion passed.

- 4. All NCPA Facilities (Except LEC), Members – Allied Power Group LLC Maintenance Management Program Agreement** – Staff presented background information and was seeking a recommendation for Commission approval of a five-year Maintenance Management Program Agreement with Allied Power Group, LLC for gas turbine preventative maintenance services, with a not to exceed amount of \$6,300,000, for use at all facilities owned and/or operated by NCPA (except LEC) and NCPA Members. All purchase orders will be issued following NCPA procurement policies and procedures.

The NCPA Combustion Turbine Project 1 (CT1) does not currently have a service agreement for maintenance services on the gas turbines. In addition, the CT1 does not maintain a set of critical spare parts. This worked well during the early years of the CT1 Project because it experienced limited operation, and extended outages did not have a large impact. With integration of renewables in to the electric grid, the units are called on to run more frequently and the maintenance needs have changed. Unplanned outages and extended outages now may have a significant impact. This service agreement helps mitigate the impacts on CT1 by ensuring timely availability of critical spare parts, along with providing a warranty for units that will last the duration of each maintenance interval. The warranty will be phased in on each unit after the scheduled service occurs. In addition, in the past when CT1 experienced a forced outage, the process was to develop a scope of work, go out to bid, award contracts and seek approval. This process all needed to occur during a forced outage event, causing extended outage durations. This contract ensures a 24 hour response from APG. Once APG has assessed the problem, they will begin mobilizing necessary resources. At each maintenance interval, APG will upgrade the units with the new technology parts that include improved cooling and coatings for extended maintenance intervals and reliability, thus maintaining an adequate level of reliability. The agreement provides protections for NCPA to mitigate the length of the contract while gaining the benefits noted above. This has been accomplished by limiting annual cost increases, guarantee of a Parts Supply, and providing a termination clause with six months prior written notice. A draft Commission Staff Report and the draft agreement were available for review. It is recommended that this item be placed on the Commission Consent calendar.

Motion: A motion was made by Jiayo Chiang and seconded by Basil Wong recommending Commission approval authorizing the General Manager or his designee to enter into a Maintenance Management Program Agreement with Allied Power Group, LLC (APG) for gas turbine preventative maintenance services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$6,300,000 over five years, for use at any facilities owned and/or operated by NCPA (except the Lodi Energy Center), and NCPA Members. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Palo Alto, Plumas-Sierra, Port of Oakland, Redding, Roseville, and Santa Clara. The motion passed.

- ***Prior to this item at 9:25 am, Jane Luckhardt, NCPA General Counsel, stepped out of the conference room due to a conflict of interest.***

- 5. All NCPA Facilities, Members, SCPPA – Black & Veatch Corporation First Amendment to MTPSA –** Staff presented background information and was seeking a recommendation for Commission approval of a First Amendment to the five-year Multi-Professional Services Agreement with Black & Veatch Corporation for consulting services related to project support and plant operations, with any non-substantial changes recommended and approved by the NCPA General Counsel, extending the agreement expiration date from May 26, 2021 to November 26, 2021, 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 Professional Services Agreement with Black & Veatch Corporation effective May 26, 2016. It is an enabling agreement with no commitment of funds. This agreement is set to expire on May 26, 2021. Staff has been working on a renewal agreement with Black & Veatch, however this process is taking longer than anticipated. NCPA is currently utilizing Black & Veatch for hydrogen expertise support, and consulting regarding the Lodi Lakehouse development project, neither of which is completed. This First Amendment will extend the agreement expiration date from May 26, 2021 to November 26, 2021, to avoid any lapse in coverage while NCPA continues to work on the new agreement with Black & Veatch. NCPA has agreements in place for similar services with HDR Engineering, Inc. and Worley Group, Inc. The Law Offices of Susie Berlin, will act as NCPA General Counsel through the approval process for this agreement. A draft Commission Staff Report and the draft agreement were available for review. It is recommended that this item be placed on the Commission Consent calendar.

Motion: A motion was made by Brian Schinstock and seconded by Mike Farr recommending Commission approval authorizing the General Manager or his designee to enter into a First Amendment to the Multi-Task Professional Services Agreement with Black & Veatch Corporation for consulting services related to project support and plant operations, with any non-substantial changes recommended and approved by the NCPA General Counsel or his or her designee, extending the agreement expiration date from May 26, 2021 to November 26, 2021, 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, Plumas-Sierra, Port of Oakland, Redding, Roseville, and Santa Clara. The motion passed.

- ***After this item was completed at 9:35 am, Jane Luckhardt, NCPA General Counsel, stepped back into the conference room.***

- 6. All NCPA Facilities, Members, SCPPA – K&A Engineering Consulting, P.C. MTPSA –** Staff reviewed background information and was seeking a recommendation for Commission approval of a five-year Multi-Task Professional Services Agreement with K&A Engineering Consulting, P.C. for engineering consulting services related to all aspects of electric power generation, 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.

This is a new agreement with a new vendor. It is an enabling agreement with no commitment of funds. 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 GHD, Inc., Coffman Engineers, Inc., and Costa Engineers, Inc. A draft Commission Staff Report and the draft agreement were available for review. It is recommended that this item be placed on the Commission Consent calendar.

Motion: A motion was made by Shiva Swaminathan and seconded by Mark Sorensen recommending Commission approval authorizing the General Manager or his designee to enter into a Multi-Task Professional Agreement with K&A Engineering Consulting, P.C. for engineering consulting services related to electric power generation and delivery, 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, Plumas-Sierra, Port of Oakland, Redding, Roseville, and Santa Clara. The motion passed.

- 7. All NCPA Facilities, Members, SCPPA – EvapTech, Inc. MTGSA-EMS** – Staff reviewed background information and was seeking a recommendation for Commission approval of a five-year Multi-Task General Services Agreement and Agreement for Purchase of Equipment, Materials and Supplies with EvapTech, Inc. for cooling tower services, with a not to exceed amount of \$3,000,000, 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.

This is a new agreement with a new vendor. It is an enabling agreement with no commitment of funds. 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 Alliance Cooling Products & Construction, Inc., American Cooling Tower, Inc., and Energy Options, Inc. A draft Commission Staff Report and the draft agreement were available for review. It is recommended that this item be placed on the Commission Consent calendar.

Motion: A motion was made by Shiva Swaminathan and seconded by Mike Brozo recommending Commission approval authorizing the General Manager or his designee to enter into a Multi-Task General Services Agreement and Agreement for Purchase of Equipment, Materials and Supplies with EvapTech, Inc., for cooling tower services and materials, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$3,000,000 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, Plumas-Sierra, Port of Oakland, Redding, Roseville, and Santa Clara. The motion passed.

- 8. All NCPA Facilities – Delta Tech Service, Inc. MTGSA** – Staff reviewed background information and was seeking a recommendation for Commission approval of a five-year Multi-Task General Services Agreement for inspection and cleaning, and decontamination maintenance services, with a not to exceed amount of \$1,000,000, for use at all facilities owned and/or operated by NCPA. All purchase orders will be issued following NCPA procurement policies and procedures.

This is a new agreement with a new vendor. It is an enabling agreement with no commitment of funds. 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 Ancon Marine dba Ancon and Groome Industrial Service Group. This agreement is for use at NCPA facilities only. A draft Commission Staff Report and the draft agreement were available for review. It is recommended that this item be placed on the Commission Consent calendar.

Motion: A motion was made by Shiva Swaminathan 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 Delta Tech Service, Inc., for inspection, chemical cleaning, and decontamination 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 any facilities

owned and/or operated by NCPA. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Palo Alto, Plumas-Sierra, Port of Oakland, Redding, Roseville, and Santa Clara. The motion passed.

- 9. All NCPA Facilities – Southern Counties Lubricants, LLC First Amendment tot MTGSA-EMS –** Staff presented background information and was seeking a recommendation for Commission approval of a First Amendment to the current five-year Multi-Task General Services Agreement and Agreement for Purchase of Equipment, Materials and Supplies with Southern Counties Lubricants, LLC, for oil analysis, oil filtration services, and purchase of miscellaneous lubricants, increasing the not to exceed amount from \$225,000 to \$1,500,000 and removing Members and SCPPA from this agreement, for use at all facilities owned and/or operated by NCPA. All purchase orders will be issued following NCPA procurement policies and procedures.

NCPA entered into a five year Multi-Task General Services and Agreement for Purchase of Equipment, Materials and Supplies with Southern Counties Lubricants, LLC effective November 14, 2019 for an amount not to exceed \$225,000. It is an enabling agreement with no commitment of funds. Initially this contract was implemented at a lower dollar threshold to evaluate the vendor's service and capability. They have met expectations and would increase the pool of vendors to increase competitive bids in the future. This agreement has been primarily used by NCPA's Geothermal Facility for purchases of turbine oil, lube oil, and filtration services, and this agreement is now running low on funds. This First Amendment will increase the not to exceed amount from \$225,000 to \$1,500,000 to ensure sufficient funds are available for the remainder of the contract term. This agreement was originally available for use by NCPA Members, SCPPA, and SCPPA Members, however, due to the hazardous nature of some of the materials provided by this vendor, this First Amendment will also modify the agreement so that it is no longer available for use by NCPA Members, SCPPA, or SCPPA Members. NCPA has agreements in place for similar services with Westgate Petroleum Company, Inc., and Nick Barbieri Trucking, LLC dba Redwood Coast Fuels. A draft Commission Staff Report and the draft agreement were available for review. It is recommended that this item be placed on the Commission Consent calendar.

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 and Agreement for Purchase of Equipment, Materials and Supplies with Southern Counties Lubricants, LLC for oil analysis and related supplies, on-site and off-site oil filtration services, and the purchase of miscellaneous lubricants, with any non-substantial changes recommended and approved by the NCPA General Counsel, increasing the not to exceed amount from \$225,000 to \$1,500,000, and removing NCPA Members, SCPPA, and SCPPA Members, for continued use at any facilities owned and/or operated by NCPA. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Palo Alto, Plumas-Sierra, Port of Oakland, Redding, Roseville, and Santa Clara. The motion passed.

- 10. All NCPA Facilities, Members, SCPPA - Quantum Spatial, Inc. dba NV5 Geospatial MTGSA –** Staff reviewed background information and was seeking a recommendation for Commission approval of a five-year Multi-Task General Services Agreement with Quantum Spatial, Inc., dba NV5 Geospatial for transmission and distribution line modeling, and related services, with a not to exceed amount of \$2,000,000, for use at all facilities owned and/or operated by NCPA, NCPA Members, SCPPA and SCPPA Members. All purchase orders will be issued following NCPA procurement policies and procedures.

NCPA currently has an agreement in place with Quantum Spatial, Inc., dba NV5 Geospatial, which is expiring in August 2021. NCPA and NCPA Members have utilized this vendor in the past, and have a good working relationship with the vendor. NCPA desires to renew this agreement so established terms and conditions are kept in place should this vendor be the successful bidder on future projects. This is an enabling agreement with no commitment of funds.

NCPA's Collierville to Bellota Substation 230KV Transmission Lines run largely in parallel with PG&E 115KV lines. Quantum Spatial is also a vendor for PG&E, and in the past, NCPA Hydro has been able to leverage cost savings on mobilization fees by conducting LiDAR surveys when Quantum Spatial is already mobilized for PG&E. NCPA has one agreement in place for similar services with Aerodyne Measure, Inc. Historically, when these services are competitively bid, NCPA has reached out to vendors such as GHD Engineering and GEI Consultants who also provide surveying services, however, they have to sub-contract the work, often to Quantum Spatial, and mark-up their services. A draft Commission Staff Report and the draft agreement were available for review. It is recommended that this item be placed on the Commission Consent calendar.

Motion: A motion was made by Shiva Swaminathan and seconded by Mark Sorensen recommending Commission authorizing the General Manager or his designee to enter into a Multi-Task General Services Agreement with Quantum Spatial, Inc., dba NV5 Geospatial for transmission and distribution line modeling, inspection and mapping services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$2,000,000 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, Plumas-Sierra, Port of Oakland, Redding, Roseville, and Santa Clara. The motion passed.

- 11. All NCPA Facilities, Members, SCPPA – Syblon Reid MTGSA** – Staff presented background information and was seeking a recommendation for Commission approval of a five-year Multi-Task General Services Agreement with Syblon Reid for routine, recurring, and usual general construction maintenance services, with a not to exceed amount of \$5,000,000, 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 Syblon Reid, which is expiring in June 2021. It is an enabling agreement with no commitment of funds. NCPA has utilized Syblon Reid in the past for dam maintenance related work, as well as a separately contracted Public Works project for Sediment Removal at Beaver Creek. This vendor has shown themselves to be competent and a competitive bidder, and NCPA desires to renew this agreement so established terms and conditions are kept in place should this vendor be the successful bidder on future projects. NCPA has agreements in place for similar services with Ford Construction, Ronwright Construction, George Reid, KW Emerson, Rege Construction, and Granite Construction. A draft Commission Staff Report and the draft agreement were available for review. It is recommended that this item be placed on the Commission Consent calendar.

Motion: A motion was made by Shiva Swaminathan 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 Syblon Reid for routine, recurring, and usual general construction maintenance services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$5,000,000 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, Plumas-Sierra, Port of Oakland, Redding, Roseville, and Santa Clara. The motion passed.

- 12. Approval of Exhibit C, Revision 23-1 to Contract 96-SNR-00110 – WAPA O&M Funding Commitment** – Staff presented background information and was seeking a recommendation for Commission approval of Exhibit C, Revision 23-1 to Contract 96-SNR-00110, and to authorize the General Manager of NCPA to execute Exhibit C, Revision 23-1 to Contract 96-SNR-00110, on behalf of NCPA.

In December 2004, NCPA executed the Agreement for the Funding of Operation and Maintenance of CVP Projects, Contract 96-SNR-00110. The objective of this agreement provides CVP customers funds for specific operations, maintenance, and capital projects related to CVP facilities, and ensures CVP facilities are maintained to enhance reliability of base resource deliveries. All funds paid are returned as credits on power bills.

For each fiscal year, each customer commits to certain funding levels based on projected needs. During the federal fiscal year 2023 the original NCPA Pool Share funding was \$10,931,542.95. The original amount has now been revised for the NCPA Pool Share at \$11,641,074.05. There is no net fiscal impact because amounts initially funded are subsequently refunded by Western using bill credits. NCPA's authority to act on behalf of Pool Members is provided through the Assignment Administration Agreement (AAA Agreement), which requires an affirmative vote of all assigning Members.

Motion: A motion was made by Mark Sorensen and seconded by Jiayo Chiang recommending Commission approval of Exhibit C, Revision 23-1 to Contract 96-SNR-00110, and to authorize the General Manager of NCPA to execute Exhibit C, Revision 23-1 to Contact 96-SNR-00110, on behalf of NCPA, including any non-substantive modifications to Exhibit C, Revision 23-1 to Contract 96-SNR-00110 approved by NCPA's General Counsel. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Palo Alto, Plumas-Sierra, Port of Oakland, Redding, Roseville, and Santa Clara. The motion passed.

➤ ***Item #12 requires a unanimous vote of the Pool Members only.***

13. Replacement Capacity for Collierville Dual Unit Outage – Staff provided background information and was seeking a recommendation for Commission approval of an Amendment to Facilities Schedule 7, Section 4.7 for Outage Coordination, to authorize NCPA to purchase replacement Resource Adequacy capacity for the Collierville dual unit outage scheduled in CY 2021.

In October 2021 the outage plan for maintenance due at Collierville includes a dual unit outage from October 1-3, 2021. After the dual unit outage, Unit 1 will be in an outage from October 4-15, 2021, then Unit 2 from October 18-29, 2021. The net qualifying capacity rating for both units is 246.86 MW. The full available RA capacity expected to be claimed for the month of October 2021 is reflective of a single unit outage which is approximately 124 MW. To ensure NCPA is able to perform maintenance during the CY 2021 Collierville dual unit outage, staff is seeking authority to procure substitute RA. The approximate amount of RA substitute to be purchased will be 124 MW, or equivalent to a single unit volume. The allocated cost of the substitute RA to Participants will be based on the claimed or sold RA volumes.

Procurement authority falls under the Facilities Agreement Section 4.3(c)(5) for Project Maintenance, and under Facilities Schedule 7 for the North Fork Stanislaus River Hydroelectric Development Project Operating Procedures. Proposed language for an Amendment to Facilities Schedule 7, was reviewed and discussed with the Committee, delegating authority to NCPA to be able to purchase substitute RA which enables outage coordination to be scheduled and performed. This Amendment will also allow Members the opportunity to provide alternate RA supply as a self-provision. If voluntary substitute RA is not supplied by a Project Participant, NCPA would be authorized to purchase substitute RA on their behalf.

Motion: A motion was made by Shiva Swaminathan and seconded by Brian Schinstock recommending Commission approval of an Amendment to Facilities Agreement Schedule 7, as presented to the Facilities Committee on April 7, 2021, including additional clarification language as discussed, to enable NCPA to procure RA Substitute Capacity consistent with the procedures described in the proposed amendment, including any non-substantive modifications approved by

NCPA's General Counsel. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Palo Alto, Plumas-Sierra, Port of Oakland, Redding, Roseville, and Santa Clara. The motion passed.

- 14. NCPA Hydroelectric Facility – Upper Utica Dams Maintenance Project** – Staff presented background information and was seeking a recommendation for Commission approval of the Upper Utica Dams Maintenance Project and delegation of authority to the General Manager or his designee to award bids, execute agreements, and to issue purchase orders for the Project, with a not to exceed amount of \$1,000,000 from existing budget funds. All purchase orders will be issued following NCPA procurement policies and procedures.

The Upper Utica Project (FERC Project No. 11563), owned and operated by NCPA, is located approximately 50 miles east of Murphys, CA. The Project No. 11563 reservoirs include Alpine, Union, and Utica which were originally constructed in the 1800's (Union and Alpine) and early 1900's (Utica). The dams allow for the storage of water for later diversion and use at the Collierville Powerhouse. Each of the dams require maintenance work in the summer and fall of 2021. The Federal Energy Regulatory Commission (FERC) and California Department of Water Resources, Division of Safety of Dams, require that these dams be maintained. NCPA has completed the design work to accomplish the maintenance objectives while still preserving the historical character of the dams as required by the FERC approved Historic Properties Management Plan.

The project timeline is June – November 2021. The work is estimated to cost less than \$1,000,000 which is included in the current and upcoming fiscal year budgets. The maintenance activities are exempt from CEQA under CEQA Section 15301 Class 1: Existing Facilities under the jurisdiction of the Department of Water Resources. Staff reviewed the work with the USFS during the annual consultation meeting. Work will be in compliance with the FERC approved Upper Utica Historic Properties Management Plan.

Motion: A motion was made by Shiva Swaminathan and seconded by Basil Wong recommending Commission approval authorizing the Upper Utica Dams Maintenance Project and delegating authority to the General Manager or his designee to award bids, execute agreements, and to issue purchase orders for the project in accordance with NCPA purchasing policies and procedures, without further approval by the Commission, for a total not to exceed amount of \$1,000,000 from existing funds in the FY2021 and FY2022 Hydroelectric Project Budgets. YES = Alameda, Biggs, Gridley, Lodi, Palo Alto, Port of Oakland, Redding, Roseville, and Santa Clara. The motion passed.

- ***Please note that Item #14 was approved by the Committee after Item #15 was approved, since a portion of the Upper Utica Dams Maintenance Project falls under FY2022 Budget funding.***

- 15. FY2022 Annual Budget Review and Approval** – Staff presented, and reviewed the final budget for FY2022, and was seeking a recommendation for Commission approval of the budget.

The overall FY2022 is increasing by 3.7%, or \$15,818,953, due largely to plant projects, reserves, insurance costs, generation output, and market conditions. Management services are increasing at 1.6% due to Power Management, with half a year additional funding for FY2021 new positions in PM and IS. Participant Pass-Through Costs are up 8.0% due to an increase in TANC PTO unbudgeted FY2021 costs, and BART meter costs. Generation resources is up \$7.8 million due to projects, reserves, insurance, and revenue due to MWhs and forward price curves. Contracts decreased due to open positions, decreased Western costs, and impacts related to the forward curve. CAISO rates have also increased. The FY2022 Proposed Budget has been published to NCPA Connect. This item is scheduled for Commission approve April 29, 2021.

Motion: A motion was made by Shiva Swaminathan and seconded by Mark Sorenson recommending Commission approval of the FY2022 Annual Budget and Working Capital, and Funding Requirement, as presented in the Facilities Committee Meeting April 7, 2021, and as detailed in the attached budgetary support and Annual Budget document, subject to the consideration and support of the Member Utility Directors with any non-substantive changes approved by NCPAs General Counsel. YES = Alameda, Biggs, Gridley, Lodi, Palo Alto, Port of Oakland, Redding, Roseville, and Santa Clara. The motion passed.

INFORMATIONAL ITEMS

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

- **South Sutter Water District (Camp Far West)** – A PPA is currently under development.
- **SFWPA (South Feather Hydroelectric)** – The final PPA is under development, as well as development of the Third Phase Agreement. Member subscriptions are currently being figured out. Refinement of the compensation mechanism is approximately \$35.00 per MWh.
- **Glover Solar** – The final PPA is under development, and awaiting a price refresh.
- **McCloud Solar 1 and McCloud Solar 2** – A Letter of Intent to initiate PPA negotiations has been signed by NCPA and Sunrise Energy Ventures. These two solar projects will produce 136 MW. SVP and Redding are currently interested in these projects.
- **NCPA Renewables RFP** – Review of additional proposals is underway. Please contact staff regarding interest in projects.

17. BV Hydrogen Feasibility Study – Staff provided a brief overview of the recently completed Hydrogen Feasibility Study, by Black & Veatch Corporation.

This study was done to look at options for the feasibility and practicality of hydrogen production, storage, and co-firing up to a 45% hydrogen blend at LEC with certain assumptions and risks. While feasibility may be determined, emerging technologies result in higher costs, and additional or increased risks. This study is not a decision to build a plant with detailed specifications. The objective of the study is to analyze the feasibility of an adequately sized hydrogen production and storage facility that can achieve cost parity with LEC's current operations.

Conclusions of the study include production of hydrogen via water electrolysis and storage as a compressed vapor or cryogenic liquid is technically feasible. Numerous vendors exist for each of the key processes considered in this study, and many offer commercial experience. Although numerous electrolyzed facilities exist worldwide, hydrogen energy storage facilities, considered in this study, are in their initial stages. Capital costs for hydrogen production and storage equipment remain high and contribute significantly to levelized costs. Electricity pricing contributes significantly to levelized costs, but projected pricing throughout the life of a potential project at LEC appears reasonable. Black & Veatch expects LCOE cost parity could be potential with hydrogen co-firing at LEC in instances where capital costs are minimized to the extent practicable, recovery and sales of oxygen are pursued, and REC revenue sharing with renewable energy providers is pursued. The completion of this study is one of the most sophisticated hydrogen energy storage feasibility studies of its kind. Staff will bring this item back at a future Facilities Committee meeting for more discussion, and possible recommendations to consider.

18. 2022 PG&E Rate Case Update – Staff provided an update regarding the 2022 PG&E Rate Case.

The PG&E Gas Rate Case 2022 starts this summer proceeding into next year. PG&E will need to be engaged before they get too far into their proposal. Staff would like to meet with PG&E to comment before development is started. Staff recommends consultant support to help, and would like to create a RFP in April for services starting in May or June of this year. The top three issues include: 1) LT cost allocation between core and noncore; 2) Gas throughput forecast; and 3) Fixed EG-LT Tariff verses Settlement Agreement. The CPUC Long-Term Gas Planning 20-01-007 has two tracks that are on-going right now. Track 1A is for reliability standards, and Track 1B is for market structure and regulations.

Staff is proposing to share the cost of services with Northern California Generation Coalition (NCGC). The scope of work for gas rate expertise to support NCGC and NCPA, and also to ensure protection of interests, should include: 1) Monitoring of rate case developments in Track 1A and 1B; 2) Perform an analysis; 3) Provide strategic advice; and 4) Support filing support. The preliminary budget for this shouldn't be over \$100,000 per year.

19. NCPA Generation Services Plant Updates – Plant Staff presented informational updates on current plant activities and conditions.

Geo – There were no safety recordables in March. However, there was a near miss when an employee slipped, and had a minor injury. The average net generation for March was 86.5 MW, with the estimated total net generation at 64.4 GWh. The FY 2021 actual net generation is at 579.5 GWh YTD, exceeding the forecasted total of 557.6 GWh, or 3.9% above forecasted. Plant 1, Units 1 and 2 were both off line March 1-8, 2021, so PG&E could install a jumper between the Fulton and Lakeville transmission lines. The Unit 4 Turbine Rotor – RCA Investigation started March 15, 2021 and is still continuing for the 4th stage blades that shifted during operation in March 2017, and March 2020. The Plant 1 Fire Orr Protections Systems, and HVAC Project are continuing. The FY2021 vehicle purchases have been completed, and new doors have been installed for the Geothermal facility upgrade.

Cts – March was a very quiet month for the CTs. Zero starts were forecasted for both CT1 and CT2. CT1 had one actual start bringing the YTD total to 211. The YTD total for CT2 remains at 98. There were no forced or planned outages for this month.

Hydro – The good news is that New Spicer Meadow (NSM) Reservoir started to fill on March 17, 2021, after months of declining. The bad news is that NSM Reservoir will not fill this year, not even close. The state's snow pack is at 59%, which is one of the driest years on record. Maps released from NOAA/CPC forecast broad-scale drought conditions between moderate to exceptional for the state of California this year depending on regions.

20. Planning and Operations Update –

- Resource Integration – Staff is currently working to integrate the following entities into the NCPA Portfolio including Central 40 Solar (SVP), Altamont Wind (EBCE), SFWPA (Members), Sky River Wind (BART), Slate 1 Solar (BART), and Ukiah Mendocino Hydro (Ukiah).
- Staff is working to reintegrate Dispatch and Scheduling shifts both back at the NDC, which would enable weekend coverage for SVP.
- Summer 2021 Readiness – This continues to be a top priority of CAISO stakeholder initiatives.

21. Next Meeting – The next Facilities Committee meeting is scheduled for May 5, 2021.

ADJOURNMENT

The meeting was adjourned at 1:06 pm by the Committee Chair.