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Minutes

Date: May 2, 2019
To: NCPA Facilities Committee
From: Carrie Pollo
Subject: May 1, 2019 Facilities Committee Meeting Minutes

- 1. Call meeting to order & Roll Call** - The meeting was called to order by Committee Chair Tikan Singh at 9:04 am. A sign-in sheet was passed around. Attending via teleconference and/or on-line presentation were Alan Harbottle (Alameda), Paul Eckert (Gridley), Shiva Swaminathan (Palo Alto), 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, Biggs, Healdsburg, Plumas-Sierra, Port of Oakland, TID, and Ukiah were absent. A quorum of the Committee was established.

PUBLIC FORUM

No public comment.

- 2. Approve Minutes from the April 3, 2019 Facilities Committee Meeting.**

Motion: A motion was made by Brian Zard and seconded by Jiayo Chiang recommending approval of the April 3, 2019 Facilities Committee meeting minutes. A vote was taken by roll call: YES = Alameda, Gridley, Lodi, Lompoc, Palo Alto, Redding, Roseville, and Santa Clara. The motion passed.

- 3. All Generation Services Facilities, Members, SCPPA – Mechanical Analysis Repair, Inc. dba Martech MTGSA** – Staff gave background information and was seeking a recommendation for Commission approval of a five-year Multi-Task General Services Agreement with Mechanical Analysis Repair, Inc. dba Martech for machining 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. 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 General Services Agreement with Mechanical Analysis Repair, Inc. dba Martech for machining related services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$1,500,000.00 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, Gridley, Lodi, Lompoc, Palo Alto, Redding, Roseville, and Santa Clara. The motion passed.

- 4. All Generation Services Facilities, Members, SCPPA – KSB, Inc. MTGSA** – Staff provided background information and was seeking a recommendation for Commission approval of a five-year Multi-Task General Services Agreement with KSB, Inc. for pump related maintenance 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. This is a renewal agreement with an existing vendor. It 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 KSB, Inc. for pump maintenance related services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$1,000,000.00 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, Gridley, Lodi, Lompoc, Palo Alto, Redding, Roseville, and Santa Clara. The motion passed.

- 5. NCPA Geothermal Facility – Steam Field Operations Forecast Report** – Staff reviewed the 2019 Steam Field Operations Forecast Report, and was seeking a recommendation for Commission approval of the report dated April 2019, including approval regarding the market power price at which to curtail the load at the NCPA Geothermal facilities, as the Geothermal Operating Protocol effective July 1, 2019, and remaining in effect until replaced by the Commission.

The 2018 net generation was slightly above the predicted 794.8 GWhs at 804.4 GWhs. The 2019 net generation is forecasted to be 716.9 GWhs with the FY2020 net generation forecasted at 731.9 GWhs. These two years are forecasted lower due to the planned unit overhauls and P-site well workovers.

The Geysers were cycled in the 1990’s, with some risk to the plant and steam field. The estimated break-even cost was \$19.07 per MWh. The 2019 Operating Protocol will be a two zone baseload operation unless specific financial incentives are met. Staff recommends these financial incentives to allow curtailment conditions including; negative Day Ahead pricing of at least \$25 per MWh, with the level of curtailment at 45 MW, and to be adjusted based on field response. The curtailment duration will be at least four hours or more, and limited to cycling once per day.

Motion: A motion was made by Brian Zard and seconded by Jiayo Chiang recommending Commission approval of the 2019 Steam Field Operations and Forecast Report dated April 2019 as the Geothermal Operating Protocol effective July 1, 2019. This Operating Protocol is to remain in effect until replaced by the Commission. A vote was taken by roll call: YES = Alameda, Gridley, Lodi, Lompoc, Redding, Roseville, and Santa Clara. ABSTAIN = Palo Alto. The motion passed.

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

CTs – The CT1 U1 in Alameda has been very busy with 19 starts in April for a total FYTD of 217 starts. There were 0 starts for the CT2 this past month for a FYTD of 51 starts. There were

two forced outages at the CT1 U1, which included a delayed start/startup instruction, and a lube oil ruptured disk. The Turner Road facility is still in an outage due to several problems that started back in December 2018. The latest is with the alignment of the generator sitting too low and rubbing. The Lake House Development is in the process of a full EIR study contracted with Stantec. Unions have approached them for a labor agreement. There is currently no active EIR proceeding at the City level. The CAISO software appears to have bugs and glitches for Use Limited Resources impacting the Alameda units.

Hydro – Current precipitation for the year through April 30th is at 44 inches of rain or 10% above normal. The snow pack is 145% of normal. Warm spring weather is melting the snow. The current snow line is approximately 5500 feet with lots of snow still at 7000 feet and above. New Spicer Meadows is now approximately half-full. Decent revenues are coming in from Collierville with good reg. down.

Geo – There were no safety incidents at Geo. Topics for the month included crane safety and heat stress. Hearing tests were conducted for the Geo staff. The current baseload net generation for April 2019 was 48.5 MW, with an estimated monthly total of 47.5 GWh. Average April net generation is 65.9 MW. This is down due to the overhaul outages. The Unit 2 overhaul started April 1, and is nearing completion. A dual unit outage is currently going on as the overhaul for Unit 1 started April 22. Unit 2 is scheduled to return to service May 10 with the overhaul progressing on schedule. Unit 1 will remain out until May 26. Work for Unit 1 is progressing with turbine and generator inspection and repair, condenser cleaning, ball cleaning system, steam ejector replacement, electrical cleaning and testing, and the Stretford system.

- 7. MSSA Deviation Equation Status Update** – Staff provided an update regarding the Metered Subsystem Aggregator Agreement (MSSAA) Schedule 19, which explicitly refers to the concept of downward Instructed Imbalance Energy (IIE) termed as “Decremental,” meaning values decreasing across market processes within a single interval, sometimes confused as changes from interval to interval. The MSSAA Schedule 19 reads as; IIE is expected energy associated with those ADS instruction service types that represent a requirement for the delivery of energy to the CAISO that is incremental, or decremental to the MSSA’s load-following needs.

In 2014, the CAISO released settlement configurations that incorrectly disqualified downward economic IIE bids for the compliance equation. NCPA discovered this in 2015 while attempting to utilize decremental bids in order to manage water during the drought and submitted placeholder disputes. In disputes, NCPA identified facts that compliance IIE is inconsistent with energy charge codes and suggested alternatives for CAISO equation such as utilizing NCPA’s submitted value or CAISO’s Expected Energy results.

NCPA staff have been working with the CAISO for a solution to this problem. The CAISO has notified NCPA that a Settlements Business Practice Manual Proposed Revision Request will be released within days that will utilize CAISO Expected Energy Calculation in IIE configuration. Changes will go live May 8, 2019, and will apply retrospective back to January 1, 2018, and forward. NCPA scheduling staff began testing decremental bid strategies April 30. Results are currently pending. Staff will continue to work with the CAISO on this issue, and update the Committee as needed.

8. Planning and Operations Update –

- CCA Activities Update – EBCE has met the collateral obligations at the CAISO; as such, EBCE’s transition to their own SCID should be completed by mid-June. Staff is currently working SJCE to become their own SCID as well.
- Opportunities to Sell Project Attributes – Staff have setup a conference call with Members this Friday (5/3), to discuss green energy for the CCAs. Topics for discussion include:
 - GHG-Free Energy
 - Review of draft form WSPP Confirmation

- Working to calculate “excess” supply – What is “excess” supply?
- Review of NCPA authority to transact on behalf of Members
- SFWPA – Staff will reach out to schedule meetings with individual Members to seek interest in business opportunities with SFWPA.
- Day-Ahead Market Enhancements (DAME) Update – DAME is currently not moving forward with implementing the 15-minute scheduling at this time.
- Nevada Irrigation District – Staff submitted a Request for Interest on April 30, 2019.
- Order 890 Activities – NCPA is continuing to work with PG&E. A meeting is scheduled for May 15, 2019 to discuss a new Pilot Project.

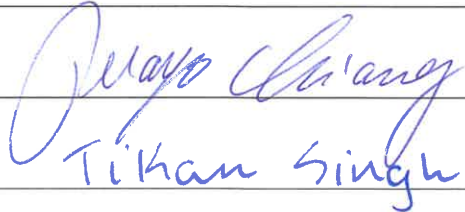

9. Schedule next meeting date – The next regular Facilities Committee meeting is scheduled for June 5, 2019.

ADJOURNMENT

The meeting was adjourned at 12:03 pm.

**Northern California Power Agency
 May 1, 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	