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Minutes

To: NCPA Facilities Committee
From: Trisha Hubbard
Subject: June 1, 2016, Facilities Committee Meeting Minutes

- 1. Call meeting to order & Roll Call** - The meeting was called to order by Committee Chair Alan Hanger at 9:06am. A sign-in sheet was passed around. Attending via teleconference and/or on-line presentation were Debbie Whiteman (Alameda), Mark Sorensen (Biggs), Basil Wong and Nico Procos (Port of Oakland), Kathleen Hughes, and Steve Hance (Santa Clara). Those attending in person are listed on the attached Attendee Sign-in Sheet. Committee Representatives from BART, Gridley, Healdsburg, TID, and Ukiah were absent. A quorum of the Committee was established.

PUBLIC FORUM

No public comment.

- 2. Approve minutes from the May 4th Facilities Committee meetings.** A motion was made by Steve Hance and seconded by Monica Padilla recommending approval of the May 4th Facilities Committee meeting minutes. A vote was taken by roll call: YES = Alameda, Biggs, Lodi, Lompoc, Palo Alto, Port of Oakland, Roseville and Santa Clara. The motion passed.
- 3. All Generation Services Facilities, Members, SCPPA & SCPPA Members – Precision Iceblast Corporation** - Staff recommended approval of a five year Multi-Task General Services Agreement with Precision Iceblast Corporation for an amount not to exceed \$850,000 for inspection and maintenance services for use at all facilities owned and/or operated by NCPA, its members, SCPPA and SCPPA Members. This will be utilized as an enabling agreement. A draft Commission Staff Report and the draft agreement were available for review.

Motion: A motion was made by Shannon McCann and seconded by Melissa Cadek recommending Commission approval of the Multi-Task General Services Agreement with Precision Iceblast Corporation for inspection and maintenance services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$850,000 over five years for use at all facilities owned and/or operated by NCPA, its members, by SCPPA or by SCPPA members. A vote was taken by roll call: YES = Alameda, Biggs, Lodi, Plumas-Sierra, Roseville and Santa Clara. ABSTAIN = Palo Alto and Port of Oakland. The motion passed.

- 4. All Generation Services Facilities, Members, SCPPA & SCPPA Members – Expro Americas, LLC** – Staff recommended approval of a five year Consulting Services Agreement with Expro Americas LLC for an amount not to exceed \$1,000,000 for wireline tools, operator and related services for use at all facilities owned and/or operated by NCPA, its Members, SCPPA, and SCPPA Members. This company has provided wireline tools and services to NCPA as well as Calpine for the past 25 years. They are the only contractor with reliable High Temp Casing caliper with Hi-T camera. This will be utilized as an enabling agreement. A draft Commission Staff Report and the draft agreement were available for review.

Motion: A motion was made by Shannon McCann and seconded by Steve Hance recommending Commission approval of a Multi-Task Consulting Services agreement with Expro Americas LLC for wireline tool supply and related services for an amount not to exceed \$1,000,000 over five years for use at all facilities owned and/or operated by NCPA, its Members, SCPPA, and SCPPA Members. A vote was taken by roll call: YES = Alameda, Biggs, Lodi, Palo Alto, Roseville and Santa Clara. ABSTAIN = Port of Oakland. The motion passed.

- 5. Geothermal Facilities – Chemical Waste Management, Inc. First Amendment** – Staff recommended approval of an amendment to the existing three year Industrial Waste Services and Disposal Agreement with Chemical Waste Management, Inc. for industrial waste, increasing the not-to-exceed amount from \$150,000 to \$500,000 for use at the NCPA Geothermal Facilities. Staff explained that 95% of the Sulphur produced at the Geo is considered non-hazardous. For the past several years, this non-hazardous Sulphur has been utilized in the farming industry, primarily as a soil amendment for almonds. The prior user of the Sulphur has retired and will no longer accept it. Until the Agency can find another farming company, the only disposal site that will accept the Sulphur is Chemical Waste Management. A draft Commission Staff Report and the draft agreement were available for review.

Motion: A motion was made by Shannon McCann and seconded by Alan Hanger recommending Commission approval of the First Amendment to the existing three year Industrial Waste Services & Disposal Agreement with Chemical Waste Management, Inc. which expires April 26, 2018, increasing the not-to-exceed amount from \$150,000 to \$500,000 with any non-substantial changes recommended and approved by the NCPA General Counsel, for use at the Geothermal Facility. A vote was taken by roll call: YES = Alameda, Biggs, Lodi, Lompoc, Roseville, and Santa Clara. ABSTAIN = Palo Alto and Port of Oakland. The motion passed.

- 6. CT1 Lodi** – Staff provided an update regarding the outage of the Combustion Turbine Project No. 1 in Lodi. The refurbished parts have been installed. The unit has been re-assembled and is now available. Staff provided illustrations of the work completed during the outage. The project was completed at a total cost of \$477,200, \$22,800 under budget.
- 7. CT2 STIG** - Staff provided an update regarding the outage of the STIG Project in Lodi. The refurbished parts have been installed. The re-assembly is now complete. Illustrations of the work performed were provided. The outage was mostly to complete minor repairs at a total cost of \$25,000.
- 8. Geothermal Unit 4** – Staff provided an update regarding the overhaul performed on the Geothermal Unit #4. Staff reported that the project has been completed for an estimated final cost of \$1.7million which was under the budgeted amount of \$1.87million. The actual outage was from March 24th and lasted until May 4th, slightly longer than the projected end date of April 30th. Staff provided illustrations of the improvements and projects performed during the outage.
- 9. Geothermal Facility** – Staff provided a presentation regarding the Renewable Energy Credits for the South East Geysers Effluent Pipeline (SEGEP). Staff explained the process in getting the Renewable Energy Credits (RECs) for the SEGEP. Members can begin claiming RECs on SEGEP power effective April 2016. The estimated value of the Bucket “0” RECs is approximately \$188,000 per year. Retroactive REC amounts were presented. Staff will be appealing the retroactive RECs – the two appeals are for May through December 2013 for an approximate value of \$230,000 and June 2014 through December 2016 for an approximate value of \$334,000.

10. Review of insurance brokerage service RFP results and recommendation of broker selection – Staff provided information regarding the results of the insurance brokerage services request for proposal and is recommending approval of the selection of an insurance broker. The current insurance broker Client Service Agreement with Marsh is set to expire on June 16, 2016. Staff issued a Request for Proposals to solicit insurance brokerage firms to provide service. Following evaluation of the responses received, staff is recommending selecting Aon Risk Insurance Services West to perform NCPA's insurance brokerage services. The consulting services agreement provides for a three-year term with an option to extend annually up to five years. The proposed annual fee is \$125,000 per year with a 3% escalator which is significantly less than the current cost of \$281,000. A draft Commission Staff Report and the draft agreement were available for review.

Motion: A motion was made by Basil Wong and seconded by Shannon McCann recommending Commission approval of the recommended broker selection and the brokerage service agreement with Aon Risk Insurance Services West, Inc. A vote was taken by roll call: YES = Alameda, Biggs, Lodi, Lompoc, Palo Alto, Port of Oakland, Roseville, and Santa Clara. The motion passed.

11. Second Phase Agreement for Renewable Energy Power Purchase Agreement – Staff recommended approval of the Second Phase Agreement for Renewable Energy Power Purchase Agreement. In 2015 NCPA issued a Request for Proposals for solar power following member interest in purchasing renewable energy supply. Four members expressed interest in the responses received, however, some members were unable to secure proper board approvals. Due to the lapse in time since the original RFP was issued, staff requested a price refresh to accommodate the three members still interested in purchasing renewable power. The prices remain favorable, however, contract quantity is four times that of members' demand. SCPPA is currently entering an agreement for renewable energy. With NCPA members and SCPPA combined, the developer minimum threshold should now be met. The Second Phase Agreement will allow NCPA to enter into negotiations. Staff will be seeking approval at the June Commission meeting. Interested members are encouraged to sign the Second Phase Agreement no later than July. Staff believes the developer is looking to have the Power Purchase Agreement finalized in the next 3-4 months. The draft Second Phase agreement was available for review.

Motion: A motion was made by Melissa Cadek and seconded by Shannon McCann recommending approval of the Second Phase Agreement for Renewable Energy supply. A vote was taken by roll call: YES = Alameda, Biggs, Lodi, Lompoc, Palo Alto, Port of Oakland, Roseville and Santa Clara. The motion passed.

12. Placer County Water Agency (PCWA) Services Agreement – Staff presented a recommendation to approve the Services Agreement with Placer County Water Agency. Based on Commission direction to expand NCPA's provision of services to non-member customers, NCPA entered into discussions with PCWA to receive services. The initial term of the services agreement will be through December 31, 2020 and pending termination by either Party, the contract will automatically extend for an additional two year period. Staff explained that under the agreement, PCWA will act as its own Scheduling Coordinator, will manage all CAISO invoicing associated with its SCID, will provide all credit and collateral requirements associated with CAISO participation and act as its own Operating Entity for scheduling and bidding. NCPA, under this agreement, will provide Control Center Services effective January 1, 2018 and any supplemental services requested pursuant to the task order process. The first year for Control Center Services will be provided at price of \$410,000 with each subsequent year escalated at 2.5%. Supplemental services will be invoiced on a time and materials basis.

Staff explained in detail the structure of the Services Agreement. The main body of the Services Agreement includes the general terms and conditions. The appendices include the scope, compensation and technical requirements. The technical appendices can be updated and/or amended from time to time to account for operational changes. Staff will schedule a separate meeting with members to review the agreement in detail due to the final version not being available prior to today's discussion. PCWA will be taking this agreement to June Board meeting for approval. NCPA staff would like to seek Commission approval at the June 23rd Commission meeting.

Motion: A motion was made by Monica Padilla and seconded by Shannon McCann recommending Commission approval of the terms and conditions of the Services Agreement between NCPA and PCWA as presented at the June 1st Facilities Committee meeting, under which NCPA will provide Services to PCWA as further defined in the Services Agreement. 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. FY2017 BAMx Agreement** – Staff recommended approval of the Amendment No. 1 to the Consulting Services Agreement with Flynn Resource Consultants as well as the Professional Services Agreement with the BAMx Participants (Palo Alto and Santa Clara). The FY2017 BAMx Agreement will not include Port of Oakland and Alameda. The amendment extends services until June 30, 2017 for an amount not to exceed \$650,000. The draft agreements were not available for review at the time of the meeting.

Motion: A motion was made by Monica Padilla and seconded by Tikan Singh recommending Commission approval of the terms and conditions of the Professional Services Agreement between NCPA and the BAMx Participants and Amendment No. 1 to the Consulting Services Agreement between NCPA and Flynn Resource Consulting Inc. as presented at today's meeting. A vote was taken by roll call: YES = Alameda, Biggs, Lodi, Lompoc, Palo Alto, Port of Oakland, Roseville, and Santa Clara. The motion passed.

- 14. Enhanced Bidding Capability for Participants in the CAISO Real-Time Energy Market** – Staff provided an update regarding the results from recent tests with bidding into CAISO. The real-time bidding test results revealed that omitting load following down capacity schedules caused unintended, negative settlement results. For the time being, staff believes it is better to use load following down for incremental real-time SUPP energy bidding. Staff needs to address with the CAISO to change compliance formulae to enable MSSA to fully participate in real-time energy markets. Staff will be setting up a series of meetings to discuss current scheduling mechanics, scheduling strategies, and settlements.

15. Planning and Operations Update –

- Staff reported that a services proposal was submitted to Merced Irrigation District on May 31st.
- Short-term planner, Don Imamura is retiring effective June 2nd; Bernard Erlich has been hired as his replacement.
- NCPA is working with CMUA regarding Transmission Access Charges and the CAISO regionalization. Staff will provide to the Facilities Committee the straw proposal regarding CMUA's TAC Allocation methodology.
- Shasta's membership application was approved at the May Legislative & Regulatory Committee meeting. This will be brought to the June Commission meeting for approval of the application.

16. All Generation Services Facilities, Members, SCPPA & SCPPA Members – Quantum Spatial – Staff recommended approval of the Multi-Task General Services Agreement with Quantum Spatial, Inc. in an amount not to exceed \$2,000,000 over five years for use at all NCPA facilities, its members, SCPPA and SCPPA members. This will be utilized as an enabling agreement for transmission and distribution line modeling and inspection, vegetation surveys, aerial surveys, LiDAR mapping and analytics and other miscellaneous inspection and mapping tasks. A draft Commission Staff Report and the draft agreement were available for review.

Motion: A motion was made by Shannon McCann and seconded by Monica Padilla recommending Commission approval of the Multi-Task General Services Agreement with Quantum Spatial, Inc. 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 all facilities owned and/or operated by NCPA, its members, by SCPPA or 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.

17. Schedule next meeting date – the next regular Facilities Committee meeting is scheduled for July 6th.

ADJOURNMENT

The meeting was adjourned at 11:58am.

Northern California Power Agency
 Facilities Committee Meeting of June 1, 2016
 Facilities Committee
 Attendance List

NCPA Facilities Committee members are requested to sign, but signature by members of the public is voluntary.

MEMBER	NAME
ALAMEDA	<i>Alan Hanger</i>
BART	
BIGGS	
GRIDLEY	
HEALDSBURG	
LODI	
LOMPOC	<i>Juan Lopez</i>
PALO ALTO	<i>Monica Padilla</i>
PLUMAS-SIERRA REC	
PORT OF OAKLAND	
ROSEVILLE	<i>[Signature]</i>
SANTA CLARA	
TID	
UKIAH	