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Minutes

To: NCPA Facilities Committee
From: Michelle Schellentrager
Subject: June 7, 2017, Facilities Committee Meeting Minutes

- 1. Call meeting to order & Roll Call** - The meeting was called to order by Committee Chair Melissa Price at 9:01am. A sign-in sheet was passed around. Attending via teleconference and/or on-line presentation were Sara Liuba (Alameda), Paul Eckert (Gridley), Jiayo Chiang (Lodi), Monica Padilla (Palo Alto), Basil Wong (Port of Oakland), Steve Hance, Kathleen Hughes, and Erika Jue (Santa Clara). Those attending in person are listed on the attached Attendee Sign-in Sheet. Committee Representatives from BART, Biggs, Healdsburg, Turlock, TID, and Ukiah were absent. A quorum of the Committee was established.

PUBLIC FORUM

No public comment.

Ken Goeke introduced Derrick Mirikitani, who was recently hired as a Sr. Energy Resource Analyst, and gave some background on his previous experience in the utility industry.

- 2. Approve minutes from the May 3rd and May 17th Facilities Committee Meetings.** A motion was made by Mike Brozo and seconded by Shannon McCann recommending approval of the May 3rd and May 17th Facilities Committee meeting minutes. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Lompoc, Palo Alto, Plumas-Sierra, Port of Oakland, Roseville and Santa Clara. The motion passed.
- 3. All Generation Services Facilities, Members, SCPPA & SCPPA Members – Mark II Construction, Inc. for Multi-Site Physical Security Upgrade Project** – Staff recommended approval of a public works agreement with Mark III Construction, Inc. for the purchase and installation of security systems at multiple NCPA Generation Services projects.

In 2015, NCPA hired a consultant to perform an extensive security audit of NCPA's facilities and projects. During that audit, the consultant identified security risks and analyzed the likelihood of occurrence, as well as recommended improvements to mitigate risk.

The funds for this project are encumbered from previous years' budgets, with the exception of the funds for the CT1 improvements. Members requested more information on the CT1 upgrades, including where the funds for the shortfall will come from. Staff explained that a portion of the contingency funds for CT1 will come from amounts already budgeted for other security upgrades, while additional funds will need to be provided by the Members. Shannon McCann requested to see a breakout of STIG costs prior to this item going before the Commission. Construction will start this summer with anticipated completion by December.

Members wanted confirmation that the security upgrades aligned with security mandates from NERC. Staff were able to confirm that the recommended upgrades were vetted against NERC/FERC/CIP policies, and fulfilled the requirements outlined in those policies. Members

encouraged NCPA to explore the potential impacts to insurance premiums, including the possibility for insurance premium decreases with completed of upgrades. Staff assured Members that this will be factored when NCPA goes out to market for insurance in the fall. A draft Commission Staff Report was available for review.

Motion: A motion was made by Shannon McCann and seconded by Melissa Price recommending Commission approval of authorization for the General Manager to Increase CT1 FY17-18 budget by \$221,620 to address budgeted shortfall and to execute a public works agreement with Mark III Construction, Inc. and to issue purchase orders and change orders for not to exceed \$1,283,481 for the installation of security systems at NCPA Geothermal, Combustion Turbines, and Hydroelectric Projects.. A vote was taken by roll call: YES = Alameda, Gridley, Lodi, Lompoc, Palo Alto, Plumas-Sierra, Roseville and Santa Clara. ABSTAIN = Port of Oakland. The motion passed.

4. **Hydroelectric Facility – Collierville Unit 2 Generator** – Staff recommended approval for the General Manager to enter into one or more agreements for repair of the Collierville Unit 2 Generator. NCPA's hydroelectric facilities are at capacity and this is a critical time for generation. On Sunday, the Unit 2 generator tripped and went offline. Crews have located the ground that tripped, but the unit will be out of service until it is fixed. To do a full repair would require a 6-8 week outage while the unit was disassembled and a complete rewind was performed, during which time there could be revenue losses of between \$75,000-\$100,000 per day. Instead, Staff is proposing a temporary fix in which they will bypass the copper to keep the unit balanced and bring the unit back online at partial capacity.

Members asked why measures were not taken pre-emptively to prevent this issue. Staff explained that it nearly impossible to predict when these failures could happen. These units typically do not begin to have issues until the 30-40 year timeframe, which NCPA's units are still 3-4 years away from. Members wanted additional information on the impacts of the unit being offline for those Members that may have sold system capacity for Collierville in 2017. Tony Zimmer stated that those who have sold capacity will need to arrange for alternative supply and/or renegotiate with the counter-party if the unit becomes unavailable; Tony has stated he would be happy to assist any Members who may be faced with that situation.

There is currently enough money in the maintenance reserve fund to fully rewind the unit (complete the full repair). At this time Staff are not asking for any additional funds, they are simply seeking approval to spend the funds to complete this temporary fix. If the amount needed exceeds \$250,000, a Special Commission Meeting may be called to approve additional funds.

Motion: A motion was made by Monica Padilla and seconded by Tikan Singh recommending Commission approval for the General Manager to enter into one or more agreements and to issue purchase orders, with a total not-to-exceed amount of \$1,000,000 for repair of the Collierville Unit 2 Generator and related facilities at the NCPA Hydroelectric Project. A vote was taken by roll call: YES = Alameda, Gridley, Lodi, Lompoc, Palo Alto, Plumas-Sierra, Roseville and Santa Clara. ABSTAIN = Port of Oakland. The motion passed.

5. **All Generation Services Facilities, Members, SCPPA – RADCO Communications LLC** – Staff recommended approval of a five year Multi-Task General Services Agreement with RADCO Communications LLC, with a not to exceed amount of \$1,000,000. This would be a renewal of a previous contract with RADCO, which is about to expire. NCPA has utilized RADCO for tower maintenance services many times before. A draft Commission Staff Report was available for review

Motion: A motion was made by Shannon McCann and seconded by Steve Hance recommending Commission approval of a Multi-Task General Services Agreement with RADCO Communications LLC for communication maintenance services related to microwave communication project support and plant operations, 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, Gridley, Lodi, Lompoc, Palo Alto, Plumas-Sierra, Roseville, and Santa Clara. ABSTAIN = Port of Oakland. The motion passed.

- 6. All Generation Services Facilities, Members, SCPPA – Stantec Consulting Services, Inc. –** Staff recommended approval of a five year Multi-Task Consulting Services Agreement with Stantec Consulting Services, Inc. for various professional and engineering services, such as civil, environmental, geotechnical, and structural engineering, with a not to exceed amount of \$1,000,000. NCPA has similar agreements with Sage Engineering and Condor Earth Technologies. This is an enabling agreement, and no funds are being committed at this time. A draft Commission Staff Report was available for review

Motion: A motion was made by Mike Brozo and seconded by Shannon McCann recommending Commission approval of a Multi-Task Consulting Services Agreement with Stantec Consulting Services, Inc. for engineering consulting services related to project support and plant operations, 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, Gridley, Lodi, Lompoc, Palo Alto, Plumas-Sierra, Roseville, and Santa Clara. The motion passed.

- 7. All Generation Services Facilities, Members, SCPPA – DRS Marine, Inc. –** Staff recommended approval of a five year Multi-Task General Services Agreement with DRS Marine, Inc. for underwater diving, maintenance, and inspection services, with a not to exceed amount of \$1,000,000. NCPA has utilized DRS Marine, Inc. frequently over the past few years, and they have consistently been low bidders. NCPA has similar agreements with Ballard Diving and Salvage and Global Diving and Salvage, Inc. This is an enabling agreement, and no funds are being committed at this time. A draft Commission Staff Report was available for review

Motion: A motion was made by Monica Padilla and seconded by Shannon McCann recommending Commission approval of a Multi-Task General Services Agreement with DRS Marine, Inc. for underwater diving inspection, cleaning, debris removal, and confined space entry maintenance 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, Gridley, Lodi, Lompoc, Palo Alto, Plumas-Sierra, Roseville, and Santa Clara. The motion passed.

- 8. All Generation Services Facilities, Members, SCPPA – Global Diving and Salvage, Inc. –** Staff recommended approval of a five year Multi-Task General Services Agreement with Global Diving and Salvage, Inc. for underwater diving, maintenance, and inspection services, with a not to exceed amount of \$1,000,000. NCPA has similar agreements with Ballard Diving and Salvage and DRS Marine, Inc. This is an enabling agreement, and no funds are being committed at this time. A draft Commission Staff Report was available for review

Motion: A motion was made by Shannon McCann and seconded by Mike Brozo recommending Commission approval of a Multi-Task General Services Agreement with Global Diving and Salvage, Inc. for underwater diving inspection, cleaning, debris removal, and confined space entry maintenance 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, Gridley, Lodi, Lompoc, Palo Alto, Plumas-Sierra, Roseville, and Santa Clara. The motion passed.

- 9. All Generation Services Facilities – Univar USA, Inc. First Amendment – Staff** recommended approval of an amendment to the existing five year Multi Task Agreement for purchase of Equipment, Materials and Supplies with Univar USA, Inc. Since signing the original agreement in 2013, Geo Staff have determined it would be beneficial to switch chemicals for use in the Stretford abatement system; currently, soda ash is used and staff are proposing a switch to a caustic system. This First Amendment will expand the Scope of Services to include these new chemicals, and will also increase the not to exceed amount from \$250,000 to \$1,200,000 in order to allow this agreement to be used by all NCPA Facilities. This is an enabling agreement, and no funds are being committed at this time. A draft Commission Staff Report was available for review

Motion: A motion was made by Shannon McCann and seconded by Alan Hanger recommending Commission approval of the First Amendment to Multi-Task Agreement for Purchase of Equipment, Materials and Supplies with Univar USA, Inc. with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$1,200,000 over five years for use at all NCPA facilities. A vote was taken by roll call: YES = Alameda, Gridley, Lodi, Lompoc, Palo Alto, Plumas-Sierra, Roseville, and Santa Clara. The motion passed.

- 10. Geothermal Facility – Brian Davis dba Northern Industrial Construction Public Works –** Staff recommended approval of a Public Works Agreement between NCPA and Brian Davis dba Northern Industrial Construction for the construction of a Plant 2 Sulfur Platform at the Geothermal Facility, with a not to exceed amount of \$731,944. Staff explained that the current platform is failing due to numerous issues, the primary of which is extensive rust to the frame of the platform. The cost to repair the current platform is more than the cost to replace it. NCPA went through the standard bid process, however, Brian Davis dba Northern Industrial Construction was the only contractor to attend the mandatory bid walk. The original bid was \$679,645.60, but Staff are requesting an additional \$52,299 to cover any contingencies. Members wanted to know why there were no additional bidders. Staff explained that the remote location of our Geothermal Facility was likely a factor. A draft Commission Staff Report was available for review

Motion: A motion was made by Shannon McCann and seconded by Alan Hanger recommending Commission approval of a public works agreement with Brian Davis dba Northern Industrial Construction and delegate to the General Manager authority to issue purchase orders and change orders for not to exceed of \$731,944 for the Sulfur Platform project at the NCPA Geothermal Plant 2 Facility. A vote was taken by roll call: YES = Alameda, Gridley, Lodi, Lompoc, Plumas-Sierra, Roseville, and Santa Clara. ABSTAIN = Palo Alto and Port of Oakland The motion passed.

- 11. CAISO Overgeneration Update (Informational Only) –** Staff provided an update on procedures related to CAISO overgeneration. Staff shared the dates of the overgeneration messages received so far in 2017, and identified a pattern of overgeneration notifications on weekends, possibly due to lighter loads on the system those days. Staff shared an overview of the overgeneration procedures. The CAISO uses penalty factors to determine which units are cut when overgeneration occurs. The CAISO is working to ensure cuts are equitable, although it appears they tend to cut larger generation units. Members asked what effects this has on self-scheduled base-load units. NCPA staff hopes it will take time before Geo units are cut, and assured Members that if NCPA anticipates negative prices (between -\$50 and -\$100), their procedure includes plans to cut generation during the day.

- 12. Consent Calendar for Facilities Meetings –** Committee discussed the concept of implementing a consent calendar in the Facilities Committee meetings. Staff presented some of

the procedural and logistical issues that could arise with implementation of a consent calendar. Palo Alto stated they did not support a consent calendar for Facilities meetings. Randy Howard mentioned that the current Commission Chair had also voiced opposition for a consent calendar. The Committee agreed to not implement a consent calendar for Facilities meetings. After discussion, however, it was decided that the Facilities committee will begin to identify on their agenda which items should go on the consent calendar for the Commission meeting, and which they recommend should be set aside for further discussion by the Commission.

13. Planning and Operations Update

- The TO18 proceeding continues to advance. A hearing is scheduled for June 12th in Washington, D.C, which NCPA's Council plans to attend. Submission of the interveners' testimony will be due in July.
- NCPA continues to meet with PG&E to work on development of a Order 890 compliant transmission planning process. NCPA has provided a timeline and deliverables to PG&E.
- NCPA has an internal group working on the gas transportation storage rate case issue. NCPA has begun internal analysis to mitigate impact to LEC, and NCPA continues to work with NCGC and L&R on these issues.
- Power Management Staff continue to meet with Merced Irrigation District to develop processes and procedures in anticipation of the transmission scheduled on July 1st; when Merced will begin receiving Power Management services from NCPA.
- NCPA has provided a proposal to Modesto Irrigation District for L&R services.
- City of Shasta Lake have been approved as full NCPA Member effective June 1, 2017. James Takehara and Tony Zimmer continue to assist with providing information to Shasta Lake on Power Management services available to them.
- NCPA will begin working on the PCWA integration as soon as Merced is fully integrated. IS has already begun analyzing connections to PCWA units and software that may be required.
- Tony Zimmer continues to meet with Sierra Valley Energy Authority (SVEA). At this time, Colfax and Auburn are the only cities that have signed up to participate with SVEA. SVEA has stated they intend to file their scheduling coordinator application with the CAISO within the next week, however, there are still a number of milestones (some which require availability of funds) that SVEA has to meet.
- The UD revenue allocation group have made progress. The group is recommending that 90% of the revenues be allocated to Members and non-Member project participants using the Nexant Model, while the remaining 10% should be allocated only to Members based on A&G.
- Repairs on Adit 4 began on Monday, with the contractor arriving on site. This project needs to be completed prior to the next rain season. Contractors for the Beaver Creek repair project also arrived on site on Monday. NCPA has received a permit to start construction from the Army Corps of Engineers, and are currently in Phase II of the project. Staff are working on a bid package for large sediment removal work, and are hoping to schedule a job walk within a week or so. Staff continues to work with FEMA and insurance underwriters for both projects.

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

ADJOURNMENT

The meeting was adjourned at 11:10am.

**Northern California Power Agency
June 7, 2017 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	<i>Alan Hanger</i>
BART	
BIGGS	
GRIDLEY	
HEALDSBURG	
LODI	
LOMPOC	<i>John Lee</i>
PALO ALTO	
PLUMAS-SIERRA REC	<i>Michael Brog</i>
PORT OF OAKLAND	
ROSEVILLE	<i>Mark Mc...</i>
SANTA CLARA	
TID	
UKIAH	

**Northern California Power Agency
June 7, 2017 Facilities Committee Meeting
Attendance List**

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

NAME	AFFILIATION
Carnie Pollo	NCPA
Michelle Schellentrager	NCPA
Dave Poddusun	NCPA
Randy Baersed	NCPA
Aaron Werner	NCPA
Ron Yuen	NCPA
Mike Brozo	PSREC
Marty Le Brett	NCPA
Shannon McCann	Roseville
Marty Hauks	NCPA
James Taketara	NCPA
Dennis Sismaet	NCPA
Ken Goeke	NCPA
Melissa Price	Lodi
Tony Zimnce	NCPA
Bob Caracrist	"
Jane Luckhardt	NCPA
Ken Speer	NCPA



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Minutes

To: NCPA Facilities Committee
From: Michelle Schellentrager
Subject: July 5, 2017, Facilities Committee Meeting Minutes

- 1. Call Meeting to Order & Roll Call** - The meeting was called to order by Committee Chair Melissa Price at 9:02am. A sign-in sheet was passed around. Attending via teleconference and/or on-line presentation were Alan Hanger (Alameda), Mark Sorensen (Biggs), Paul Eckert (Gridley), Monica Padilla (Palo Alto), Steve Hance, Kathleen Hughes, Erika Jue, and Moises Melgoza (Santa Clara). Those attending in person are listed on the attached Attendee Sign-in Sheet. Committee Representatives from BART, Biggs, Healdsburg, Turlock, TID, and Ukiah were absent. A quorum of the Committee was established.

PUBLIC FORUM

No public comment.

Mike DeBortoli introduced the Black & Veatch representatives to the Committee.

Dennis Sismaet introduced Lauren Belnap (Scheduling Coordinator, Power Management division) to the Committee.

- 2. Approve Minutes from June 7, 2017 Facilities Committee Meeting** – The Meeting Minutes for the June 7, 2017 Facilities Committee Meeting were not posted with enough notice for Members to review. Voting on these Minutes will be deferred until the August Facilities Committee Meeting.
- 3. All Generation Services Facilities, Members, SCPPA & SCPPA Members – Compliance Services, Inc. First Amendment** – Staff recommended approval of a First Amendment to the five year Multi-Task General Services Agreement with Compliance Services, Inc. This Amendment would expand the scope of work (Exhibit A) to include additional services. Compliance Services, Inc. provides Pipeline Hazardous Materials Safety Administration (PHMSA) services in the form of written programs, reports, online training, and audits. This is an enabling agreement, and no funds are being committed at this time. A draft Commission Staff Report was available for review

Motion: A motion was made by Shannon McCann and seconded by Jiayo Chiang recommending Commission approval of a First Amendment to Multi-Task General Services Agreement with Compliance Services, Inc., 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 any facilities owned and/or operated by Agency, its Members, Southern California Public Power Authority (“SCPPA”) or SCPPA Members. A vote was taken by roll call: YES = Alameda, Biggs, Lodi, Lompoc, Palo Alto, Plumas-Sierra, Roseville, and Santa Clara. The motion passed.

- 4. Black & Veatch Energy Storage Presentation** – Representatives from Black & Veatch gave background on battery storage solutions for energy. Representatives reviewed the storage technologies currently available, as well as future storage technologies. Lithium ion batteries are currently the most common and reliable technology for renewables integration, and offer the highest storage capacities per unit volume and per unit weight. Trends are moving towards containerized solutions, which can stand exposure to the elements. Representatives shared a number of graphs outlining marketplace trends and detailing use cases for various energy storage solutions. Black & Veatch have seen an increased interest in behind the meter and solar storage. To increase the cost-effectiveness of the batteries, most buyers also use batteries for multiple applications.

Black & Veatch concluded that a pure capacity market is not economically viable at this point. While battery prices have fallen due to demand increasing and manufacturing costs decreasing, breakeven costs are still high.

- 5. All Generation Services Facilities, Members, SCPPA – TCB Industrial, Inc.** – Staff recommended approval of a five year Multi-Task General Services Agreement with TCB Industrial, Inc., with a not to exceed amount of \$1,000,000. TCB Industrial, Inc. has a strong emphasis in hydro applications and favorable rates. NCPA has similar agreements in place with a number of other companies focusing on field service repairs, inspection, and consultations, such as Adritz Hydro and ProEnergy Services. This is an enabling agreement, and no funds are being committed at this time. A draft Commission Staff Report was available for review

Motion: A motion was made by Mike Brozo and seconded by Shannon McCann recommending Commission approval of a Multi-Task General Services Agreement with TCB Industrial Inc. for service, inspection, consultation on turbines, generators, auxiliary equipment, and hydraulic systems, with any nonsubstantial 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, Plumas-Sierra, Roseville, and Santa Clara. The motion passed.

- 6. All Generation Services Facilities, Members, SCPPA – Gold Electric, Inc.** – Staff recommended approval of a five year Multi-Task General Services Agreement with Gold Electric, Inc. for various electrical maintenance services, such alignment of communication tower footings, equipment rental, and maintenance of electrical, communication, control and security systems, with a not to exceed amount of \$1,000,000. NCPA has similar agreements with Knights’ Electric and Radco Communications. This is an enabling agreement, and no funds are being committed at this time. A draft Commission Staff Report was available for review

Motion: A motion was made by Jiayo Chiang and seconded by Mike Brozo recommending Commission approval of a Multi-Task General Services Agreement with Gold Electric, Inc. for electrical maintenance services and support, equipment rental, and maintenance of electrical communication, control and security systems, 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 (except LEC), 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, Plumas-Sierra, Roseville, and Santa Clara. The motion passed.

7. **Beaver Creek Reservoir and Related Facilities Project** – Staff recommended approval authorizing an increase in not to exceed amount for all agreements related to the Beaver Creek Reservoir and related projects from \$1,000,000 to \$2,500,000. Staff explained that the increase is due to the fact that the original NTE amount was recommended while the detailed scope and costs were still under development. The cost increase is due to there being more debris than initially thought, as well as the USFS denying NCPA's request to use USFS lands and/or reuse materials removed from the reservoir on USFS lands. The type of debris being removed also mean that the suction dredging costs are greater than initially anticipated.

The diversion dam remains out of service. Staff estimates the average annual foregone power generation is around \$1.7m. Staff expressed concerns that next year's diversion could be lost if we do not act quickly.

Funds for the repairs are coming from the regular Beaver Creek dredging budget, with additional funds coming from the Hydro Maintenance Reserve and the Capitol Development Reserve funding accounts. As of July 1 (FY18) there is currently \$0.675 million available in the budget for Beaver Creek dredging.

There are multiple insurance claims still pending as well. Staff reviewed the FEMA and CalOES reimbursement requests and amounts with Members. Members asked about a timeline for FEMA reimbursement. Staff acknowledged that reimbursement from FEMA can take time, and that Members should plan on reimbursement taking a couple of years. Members requested a breakdown on estimated eligible/ineligible costs from FEMA. FEMA requires insurance to pay first, however, Staff said ineligible costs would include removal of any sediments received prior to the January storm event. Indications point to most costs being covered by FEMA.

Motion: A motion was made by Shannon McCann and seconded by Alan Hangar recommending Commission approval authorizing the General Manager to enter into one or more agreements, with a total not-to-exceed for all agreements of \$2,500,000 for repair, restoration and/or replacement of portions of the Beaver Creek Reservoir and related facilities at the NCPA Hydroelectric Project. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Lompoc, Palo Alto, Plumas-Sierra, Roseville, and Santa Clara. The motion passed.

8. **Generation Services Outage Schedule** – Representatives from the Generation Services department reviewed the proposed 2018 Outage Schedules, and sought approval for revision to the 2017 Outage Schedule. The 2018 Outage Schedules will be voted on in the August 2017 Facilities Committee Meeting.

Hydro Outages: Staff shared the proposed outage dates for 2018. The Spicer outage dates are currently scheduled for September; this is an optimum time from a market accessibility standpoint. The Collierville outages scheduled for October 2018 are consistent with what was approved for 2017. Staff are proposing an extended outage of Collierville Unit 2 in November 2018, for the stator repair/full unit rewind (required to permanently fix that unit).

CT's Outages: Staff recommended Commission approval of updated 2017 Outage Schedule for CT's. Staff is proposing an outage of CT1 Lodi in September 2017 to replace the bushings in the unit. These parts are prone to catastrophic failure, and Staff does not recommend waiting until the spring 2018 outages to complete these repairs.

Staff also reviewed the proposed outage dates for CT's for 2018. The outages proposed in spring 2018 for CT1 Alameda and CT1 Lodi are both for routine maintenance.

Motion: A motion was made by Jiayo Chiang and seconded by Mike Brozo recommending Commission approval of the updated 2017 Outage Schedule. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Lompoc, Palo Alto, Plumas-Sierra, Roseville, and Santa Clara. The motion passed.

Geo Outages: Geo shared their proposed 2018 Outage Schedule. Geo outages are flexible, and are being scheduled for required Stretford maintenance. The outages are staggered by one week so that equipment required for the outages can be reused and transferred between sites, minimizing transportation costs to/from the Geo site.

9. Generation Services Plant Updates – Representatives from the Generation Services department gave updates on how each plant weathered the recent heatwave.

Hydro Update: The biggest challenges encountered by Hydro during the June heat wave was the Collierville Unit 2 outage, and tailwater curtailment due to the large volume of water. Staff had to fluctuate PMAX at CAISO to prevent self-tripping. Staff shared a breakdown of lost revenues as a result of these issues. Ken Goeke and Phil Mensonides are working on revised modeling plans for bidding the Spicer units more efficiently.

CT's Update: Staff reviewed the issues encountered by CT's during the heat wave. STIG ran well, however, there were a number of forced outages and other minor issues. Despite the issues, LEC had relatively good revenue during the heatwave with a significant increase in runtime hours.

Geo Update: Geo encountered issues during the June heat wave with the Unit 4 cooling tower. Staff explained how the efficiency of the cooling tower decreases as temperatures increase. Temperatures at Geo were about 20° higher than average which resulted in approximately 2.7 MW above regular losses for this time of year. Staff shared estimated values lost during the heat wave.

10. Power Management Revenue Allocation Update – James Takehara shared an update on revenue allocation, as well as information on potential implementation. James reviewed the rationale of the UD group in forming their final revenue allocation recommendation. The UD's will be recommending that 10% of revenues received will be allocated exclusively to Members, based on their contributions to A&G expenses, while the remaining 90% of revenues will be allocated to both Members and non-Member Project Participants using the Nexant cost allocation model. The UD's have also recommended that revenue allocation to non-Members begin at the end of year budget true up. The final recommendation will be brought to the Commission at the August meeting.

James also shared concepts for future consideration, including looking further at the margin (between cost of services and market value) and whether that margin should be included in the 90% allocated to Members and non-Members. There was discussion by the Committee on implementing an "Enterprise Funding Structure". Palo Alto expressed a desire to expand upon the UD's recommendation for periodic review of the revenue allocation policy, to include some mention of the concept of tying new revenues to how profitable they are in the revenue allocation for Members/non-Members. Roseville proposed adding an additional item to the final recommendation stating that, when margins occur, revenues will only be allocated to Members, with details to be determined later.

11. Merced Irrigation District Transition Update – Dennis Sismaet provided an update on the MEID transition. Service started on Saturday, July 1. NCPA now has control of Merced's three hydro projects. There were minor issues with the initial transition, which required the three units to be under manual control for the first few days, but those issues have since been resolved.

12. Planning and Operations Update

- TO18: The TO18 proceeding continues to advance. Testimony from the intervener group is due on July 5. The discovery request from PG&E has been delayed. The trial for the proceeding is scheduled for January, with a ruling expected in June 2018.
- Transmission Planning Process: NCPA continues to meet with PG&E to work on development of an Order 890 compliant transmission planning process. There is a sample proposal out for review.
- Modesto Irrigation District: MID has requested a proposal for Membership from NCPA last month. The proposal has been sent and MID is currently reviewing it.
- PCWA: With the successful onboarding of MEID, work will now begin on PCWA integration, with a full focus on forming operating required operating procedures (similar to the process that was just completed for Merced).
- Sierra Valley Energy: Sierra Valley Energy has indicated they are submitting the required paperwork to register with the CAISO.
- Shasta Lake: NCPA is still waiting on a final decision on whether Shasta Lake plans to take Power Management Services; NCPA anticipates a final decision from Shasta Lake within the next few weeks.
- On July 12th there will be a CMUA Meeting with the EIM Board regarding how TAC are allocated and defined now. This meeting will also discuss the Clean Energy Coalition request.
- The City of Lathrop has renewed their contract with Calpine for Power Management Services, but have said they may touch base with NCPA in the future.
- NCPA had submitted a request to the UD's regarding a proposal to SCPPA for scheduling coordination services for a solar project in their area, however, SCPPA opted to select their existing service provider.
- Ken Speer provided an update on the Gas Transportation Case. PG&E has started the 19 gas rate case; in this latest case, PG&E is proposing shutting down two of their storage fields (required retrofits would be too costly), with a plan to drill new wells and outsource a portion of their storage. Core customers currently pay 70% of PG&E's storage costs. PG&E is proposing a cost shift in the 19 rate case, where the core would cover 20% of storage costs, and the remaining 70% would be covered by backbone customers. NCPA has also filed a petition of modification with the NCGC in response to the PG&E 16 gas rate case, asking the CPUC to consider carbon emissions for electric generators when setting gas rates. NCPA is working with the NCGC group, as well as other gas generator providers, and will provide further updates to the Committee when they become available.

13. Schedule next meeting date – the next regular Facilities Committee meeting is scheduled for August 2, 2017.

ADJOURNMENT

The meeting was adjourned at 12:01pm.

**Northern California Power Agency
 July 5, 2017 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	<i>Julian Lopez</i>
LOMPOC	<i>Julian Lopez</i>
PALO ALTO	
PLUMAS-SIERRA REC	<i>Julian Lopez</i>
PORT OF OAKLAND	
ROSEVILLE	<i>Shirley M. ...</i>
SANTA CLARA	
TID	
UKIAH	

