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Minutes

To: NCPA Facilities Committee
From: Trisha Hubbard
Subject: July 6, 2016, Facilities Committee Meeting Minutes

1. **Call meeting to order & Roll Call** - The meeting was called to order by Committee Chair Alan Hanger at 9:05am. A sign-in sheet was passed around. Attending via teleconference and/or on-line presentation were Mark Sorensen (Biggs), Melissa Price (Lodi), Monica Padilla (Palo Alto), Basil Wong and Nico Procos (Port of Oakland), Joyce Kinnear, Kathleen Hughes, and Peter Virasak (Santa Clara). Those attending in person are listed on the attached Attendee Sign-in Sheet. Committee Representatives from BART, Gridley, Healdsburg, Plumas-Sierra, TID, and Ukiah were absent. A quorum of the Committee was established.

PUBLIC FORUM

No public comment.

CLOSED SESSION

2. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Government Code section 54956.9 – One (1) case.

Assistant General Counsel, Ruthann Godwin, brought the Facilities Committee out of Closed Session – no reportable action taken.

OPEN SESSION

3. **Approve minutes from the June 1st Facilities Committee meeting.** A motion was made by Shannon McCann and seconded by Melissa Price recommending approval of June 1st 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.
4. **All Generation Services Facilities, Members and SCPPA – Cisco Air Systems, Inc** – Staff presented a recommendation for Commission approval of a five year Multi-Task General Services Agreement with Cisco Air Systems, Inc. for an amount not to exceed \$500,000 for air compressor maintenance and services at all facilities owned and/or operated by NCPA, its Members, SCPPA, and SCPPA Members. All purchase orders issued pursuant to the agreement will be charged against approved Annual Operating budgets.

Motion: A motion was made by Shannon McCann and seconded by Joyce Kinnear recommending Commission approval of a Multi-Task General Services Agreement with Cisco Air Systems, Inc. for Air compressor services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$500,000 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, Lodi, Lompoc, Palo Alto, Port of Oakland, Roseville, and Santa Clara. The motion passed.

5. All Generation Services Facilities, Members and SCPPA – 3D Technical Services, Inc.

Agreement – Staff presented a recommendation for Commission approval of a five year Multi-Task General Services Agreement with 3D Technical Services, Inc. for an amount not to exceed \$500,000 for electrical and instrumentation services at all facilities owned and/or operated by NCPA, its Members, SCPPA, and SCPPA Members. All purchase orders issued pursuant to the agreement will be charged against approved Annual Operating budgets.

Motion: A motion was made by Melissa Price and seconded by Shannon McCann recommending Commission approval of a Multi-Task General Services Agreement with 3D Technical Services for electrical and instrumentation services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$500,000 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, Lodi, Lompoc, Palo Alto, Port of Oakland, Roseville, and Santa Clara. The motion passed.

6. All Generation Services Facilities, Members and SCPPA – GHD Inc. Agreement – Staff presented a recommendation for Commission approval of a five year Multi-Task Professional Services Agreement with GHD Inc. for an amount not to exceed \$2,500,000 for engineering services for use at all facilities owned and/or operated by NCPA, its Members, SCPPA, and SCPPA Members. All purchase orders issued pursuant to the agreement will be charged against approved Annual Operating budgets.

Motion: A motion was made by Joyce Kinnear and seconded by Shannon McCann recommending Commission approval of the five year Multi-Task Professional Services Agreement between NCPA and GHD, Inc. in an amount not to exceed \$2,500,000 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, Lompoc, Palo Alto, Port of Oakland, Roseville, and Santa Clara. The motion passed.

7. All NCPA Generation Services Facilities - Pengo Wireline of California, Inc. Amendment –

Staff presented a recommendation for Commission approval of a First Amendment to the existing three year Multi-Task General Services Agreement with Pengo Wireline of California, Inc., increasing the not to exceed amount from \$180,000 to \$500,000, for downhole wireline services on wells in support of drilling operations for use at all facilities owned and/or operated by NCPA. The increase is due this company consistently being the lowest bidder for wireline related projects. The amendment is strictly for an increase in the not-to-exceed amount of the contract which will expire July 2018. All purchase orders issued pursuant to the agreement will be charged against approved Annual Operating budgets..

Motion: a motion was made by Shannon McCann and seconded by Joyce Kinnear recommending Commission approval of the First Amendment of the existing Multi-Task General Services Agreement between NCPA and Pengo Wireline of California, Inc. increasing the not to exceed amount from \$180,000 to \$500,000 for Wireline Services for use at all facilities owned and/or operated by NCPA. A vote was taken by roll call: YES = Alameda, Biggs, Lodi, Lompoc, Palo Alto, Roseville, and Santa Clara. ABSTAIN = Port of Oakland. The motion passed.

8. All NCPA Facilities, Members and SCPPA – Flynn Resources Consultants, Inc.

Agreement – Staff presented a recommendation for Commission approval of a five year Multi-Task Consulting Services Agreement with Flynn Resources Consultants, Inc. for an amount not to exceed \$3,000,000 for services related to electric transmission, power generation, regulatory support, contracts, compliance and electric market issues at all facilities owned and/or operated by NCPA, its Members, SCPPA, and SCPPA Members. All purchase orders issued pursuant to the agreement will be charged against approved Annual Operating budgets. Services under this agreement will be initiated through the Member Support Services Program Agreement.

Motion: A motion was made by Basil Wong and seconded by Shannon McCann recommending Commission approval of a Multi-Task Consulting Services Agreement with Flynn Resource Consultants, Inc. for services related to electric transmission, power generation, regulatory support, contracts, compliance, and electric market issues, 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 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, Lodi, Lompoc, Palo Alto, Port of Oakland, Roseville, and Santa Clara. The motion passed.

9. **Proposed Outage Schedule for 2017** – Staff presented the proposed 2017 outage schedule for members' initial review. Members are encouraged to review and bring any issues or concerns back to next month's Facilities Committee meeting.
10. **Contract for Services for Placer County CCA** – Staff discussed the possibility of a Consulting Services Agreement that will precede a Power Management Services Agreement. Staff discussed the contract structure, pricing, timing as well as PCWA and Placer County relationship. Staff recommended using the PCWA services agreement structure. Will possibly seek Commission approval at the August meeting. No major issues or concerns from the Facilities Committee at this time. Roseville asked staff to address how to handle the incoming revenue and how it will be allocated.
11. **Update on PG&E Natural Gas Transportation Rate Case** – Staff provided an update and estimate of impacts on CT1/CT2 operating costs following the recent conclusion of the CPUC proceeding on PG&E's natural gas storage and transportation rate case. That rate case, which is effective through December 2018, will result in a 204% increase in the natural gas transmission charge for electric generation customers connected at the local distribution level, as CT1/CT2, the Alameda CTs and the Lodi Energy Center. Effective August 1, 2016, the per MMBtu rate will be \$1.11. This represents a significant increase as well as a significant divergence from the rate paid by electric generation customers connected at the backbone level. Although the rate case is concluded, there is the opportunity to request rehearing which is being evaluated by multiple parties to the proceeding.
12. **California ISO Disputes** – Staff discussed the ongoing CAISO disputes.
 - 1) Load following compliance equation. This dispute is regarding how the ISO calculates the compliance equation.
 - 2) Collierville dispatch instructions. Dispute due to programming changes.

Staff is contemplating filing a complaint with FERC to address these issues. Will most likely bring back to Facilities Committee for a recommendation to approve the filing of a formal complaint with FERC for lost opportunity costs. Facilities Committee approval is not technically required, however, due to the potential costs associated with filing a complaint, staff would like to gain support prior to proceeding.
13. **Planning and Operations Update** –
 - Merced Irrigation District – Staff attended a meeting last week regarding follow-up questions to our proposal. Expect a decision within 30-45 days.
 - BART – staff is assisting BART in their transition to CAISO participation.
 - Regionalization – CAISO is expanding outside California. Benefits studies were completed. Meetings have been held to review the results of those benefits studies – which revealed a 1-2% benefit to California. GHG issues have not yet been addressed. The governance process is underway – conferences are being held. Does not look like legislation will be completed this year.
 - Western meeting in Phoenix. RTOs invited to discuss possible participation.

14. Schedule next meeting date - The next meeting will be held August 3rd.

ADJOURNMENT

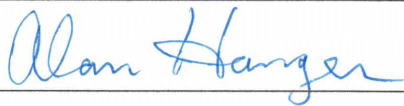


The meeting was adjourned at 11:15am.

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

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**Northern California Power Agency
Facilities Committee Meeting of July 6, 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	
BART	
BIGGS	
GRIDLEY	
HEALDSBURG	
LODI	
LOMPOC	
PALO ALTO	
PLUMAS-SIERRA REC	
PORT OF OAKLAND	
ROSEVILLE	
SANTA CLARA	
TID	
UKIAH	