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# Minutes

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**Date:** August 2, 2018  
**To:** NCPA Facilities Committee  
**From:** Michelle Schellentrager  
**Subject:** August 1<sup>st</sup>, 2018 Facilities Committee Meeting Minutes

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- 1. Call meeting to order & Roll Call** - The meeting was called to order by Committee Chair Mike Brozo at 9:04 am. 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), Tikan Singh (Lompoc), Shiva Swaminathan (Palo Alto), Basil Wong and Jared Carpenter (Port of Oakland), Steve Hance (Santa Clara), and Willie Manuel (TID). Those attending in person are listed on the attached Attendee Sign-in Sheet. Committee Representatives from BART, Healdsburg, Truckee-Donner, and Ukiah were absent. A quorum of the Committee was established.

## **PUBLIC FORUM**

No public comment.

- 2. Approve minutes from the July 5, 2018 Facilities Committee meetings.** A motion was made by Jiayo Chiang and seconded by Mike Brozo recommending approval of the July 5, 2018 Facilities Committee meeting minutes. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Lompoc, Palo Alto, Plumas-Sierra, Roseville, and Santa Clara. The motion passed.
- 3. All Generation Services Facilities, Members, SCPPA – Eaton Corporation MTGSA –** Staff presented background information on the Multi-Task General Services Agreement with Eaton Corporation for electrical services. This agreement will have a not to exceed amount of \$2,000,000, and will be for use at all facilities owned and/or operated by NCPA, its Members, SCPPA, and SCPPA Members. This is an enabling agreement with no commitment of funds. A draft Commission Staff Report and the draft agreement were available to review.

Motion: A motion was made by Bill Forsythe 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 Eaton Corporation for electrical services, with any non-substantial changes recommended and approved by the NCPA General Counsel, with a not to

exceed amount of \$2,000,000, 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, Gridley, Lodi, Lompoc, Palo Alto, Plumas-Sierra, Roseville, and Santa Clara. ABSTAIN = Port of Oakland. The motion passed.

4. **All Generation Services Facilities, Members, SCPPA – Montrose Air Quality Services, LLC MTGSA** – Staff presented background information on the Multi-Task General Services Agreement with Montrose Air Quality Services, LLC for rata, source and emissions testing. This agreement has a not to exceed amount of \$250,000, and will be for use at all facilities owned and/or operated by NCPA, its Members, SCPPA, and SCPPA Members. This is an enabling agreement with no commitment of funds. A draft Commission Staff Report and the draft agreement were available to review.

Motion: A motion was made by Bill Forsythe 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 Montrose Air Quality Services, LLC, for rata, source and emissions testing, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$250,000.00 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, Biggs, 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 – Titan Crane & Rigging, Inc. MTGSA** – Staff presented background information on the Multi-Task General Services Agreement with Titan Crane & Rigging, Inc. for trucking and crane services. This agreement has a not to exceed amount of \$500,000, and will be for use at all facilities owned and/or operated by NCPA, its Members, SCPPA, and SCPPA Members. Mike DeBortoli noted that NCPA has multiple enabling agreements in place for crane work, which is critical because of the difficulty in booking crane services during peak season. This is an enabling agreement with no commitment of funds. A draft Commission Staff Report and the draft agreement were available to review.

Motion: A motion was made by Jiayo Chiang and seconded by Mike Brozo recommending Commission approval authorizing the General Manager or his designee to enter into a Multi-Task General Services Agreement with Titan Crane & Rigging, Inc. for trucking and crane services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$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, Biggs, 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 – Danick Mechanical, Inc. MTGSA** – Staff presented background information on the Multi-Task General Services Agreement with Danick Mechanical, Inc. for T&M mechanical maintenance services. This agreement has a not to exceed amount of \$1,000,000, and will be for use at all facilities owned and/or operated by NCPA, its Members, SCPPA, and SCPPA Members. This is an enabling agreement with no commitment of funds. A draft Commission Staff Report and the draft agreement were available to review.

Motion: A motion was made by Bill Forsythe 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 Danick Mechanical, Inc. for T&M mechanical maintenance 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, Biggs, Gridley, Lodi, Lompoc, Palo Alto, Plumas-Sierra, Roseville, and Santa Clara. ABSTAIN = Port of Oakland, and TID. The motion passed.

- 7. All Generation Services Facilities, Members, SCPPA – KW Emerson, Inc. MTGSA –** Staff presented background information on the Multi-Task General Services Agreement with KW Emerson, Inc. for maintenance services, including earthwork, asphalt patching, utility easement work, and minor road and tunnel maintenance. This agreement has a not to exceed amount of \$1,000,000, and will be for use at all facilities owned and/or operated by NCPA, with exception of NCPA's Lodi Energy Center. It will also be available to NCPA Members, SCPPA, and SCPPA Members. The exclusion of Lodi Energy Center is due to the fact that the vendor has declined to sign Exhibit E (Agreement to be bound to the LEC Maintenance Labor Agreement). It was noted that the Commission Staff Report and Resolution should be updated to reflect the exclusion of LEC. This is an enabling agreement with no commitment of funds. A draft Staff Report and the draft agreement were available to review.

Motion: A motion was made by Jiayo Chiang and seconded by Mike Brozo recommending Commission approval authorizing the General Manager or his designee to enter into a Multi-Task General Services Agreement with KW Emerson, Inc., for maintenance services to include earthwork, asphalt patching, utility easement work, minor road maintenance and tunnel maintenance, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$1,000,000.00, for use at all facilities owned and/or operated by NCPA, with the exception of the Lodi Energy Center, its Members, SCPPA, and SCPPA Members. A vote was taken by roll call: YES = Alameda, Biggs, Lodi, Lompoc, Palo Alto, Plumas-Sierra, Roseville, and Santa Clara. ABSTAIN = Port of Oakland, and TID. The motion passed.

- 8. NCPA Geothermal Facility – Gifford's Backhoe Services, Inc. MTGSA –** Staff presented background information on the Multi-Task General Services Agreement with Gifford's Backhoe Services, Inc. for maintenance labor services and equipment rental. This agreement has a not to exceed amount of \$1,000,000.00, and will be for use at NCPA's Geothermal facility only. There was a brief discussion amongst the Committee regarding enabling agreements and how they function. Staff explained that the terms of all of NCPA's enabling agreements are similar, and that all of these jobs are put out to bid by multiple qualified vendors as work is needed. This is an enabling agreement with no commitment of funds. A draft Staff Report and the draft agreement were available to review.

Motion: A motion was made by Bill Forsythe and seconded by Jiayo Chiang recommending Commission approval authorizing the General Manager or designee to enter into a Multi-Task General Services Agreement with Gifford's Backhoe Services, Inc. for maintenance labor services and equipment rental including equipment related drilling operations services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$1,000,000.00, for use at NCPA's Geothermal Geyser's facility. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Lompoc, Plumas-Sierra, Roseville, Santa Clara, and TID. ABSTAIN = Palo Alto, Port of Oakland. The motion passed.

**9. NCPA Generation Services Plant Updates** – NCPA Generation Services staff provided the Committee with informational updates on current plant activities and conditions.

**Heatwave** – Staff presented a chart which outlined the energy demand on the hottest day of the recent heatwave (Tuesday, July 24<sup>th</sup>). Total peak demand on that day was approximately 46,000 MW. Staff also shared the impacts of the heat wave on energy prices, which peaked at \$900/MWh. Of all of NCPA's generation plants, LEC and Hydro saw the greatest increase in margins.

Shiva Swaminathan asked when Western stopped delivery (as a result of the wildfires). Staff explained that Western stopped delivery on Thursday night, with the initial d-rate being partial. After midnight on Thursday night, all of Base Resource schedules were cut. The pool was over supplied at the time, so the impact was limited, although staff did have to complete some supplemental procurement to fill gaps during the evening ramp. Real time prices have been stable, in large part due to the CAISO over forecasting demand in the day-ahead market. CAISO's recent calls for flex alerts has also contributed to lower demand on the system in real-time.

**Geothermal Status Update** – Marty Lebrett gave the Committee an update on the impacts that the Mendocino Complex fire was having on NCPA's Geo facility. While the plant itself is not in any immediate danger, it has impacted some of the Geo employees who live in areas under evacuation orders. Geo is currently running with a slightly reduced staff as a result.

Marty also shared the generation level forecast for the year. There has been a dip due to the recent fires and a PG&E maintenance project (replacement of some transmission lines back in May) which resulted in the unit being taken out of service. Current and upcoming projects at the Geo facility were reviewed with the Committee.

**CT1 Status Update** – Mike DeBortoli shared an update on CT1 project. He outlined some of the recent issues with the units, and outlined some of the troubleshooting that staff had to complete in order to correct the problems. Mike explained that the units are very well-maintained, so there was no real early indicator of these issues. Most issues are just a result of general wear and tear on parts, and replacement or upgrade of these parts being deferred.

**Hydro Status Update** – Randy Bowersox presented an update on the Hydro plant. New Spicer Meadows releases continued at a relative high level in the month of July, with the level of storage going down by about 6"/day. NSM Unit 3 was out for a little over 2 weeks for maintenance. The unit was completely disassembled and then cleaned and inspected. This maintenance is completed roughly every 10 years.

Randy reviewed upcoming projects for the Hydro facility. The largest upcoming project is the Collierville Unit 2 Generator Rewind. Staff hope to start this outage on September 5<sup>th</sup> and hope to have all work completed by the end of December. There was a discussion regarding the possibility of delaying the project if energy prices continue to stay high in September. Staff explained that this work includes mobilization of a crew from Austria, and any delay would likely mean NCPA could not reschedule the work for at least 1 year (as this company is booked up well in advance). There was a brief discussion of potential CAISO impacts on this project. Randy Howard recommended that NCPA staff coordinate with Facilities Committee members to schedule a tour while Unit 2 is disassembled.

**NCPA Solar Project Update** – Ron Yuen gave an update on the status of the NCPA Solar Project. Phase 1 of the project has been completed. Phase 2 is currently underway. This phase includes site viability screening and preliminary development. Ron reviewed each of the current project participants, and shared information on the potential solar site(s) each participant is exploring. Ron noted that Lompoc was no longer able to pursue the site they had originally selected, as the site they were targeting was taken off the market, but that they had expressed interest in joining another participant's site if any of them might have room for some extra capacity. There was a discussion among the Committee as to whether these projects would become MSS resource upon completion. There was also a discussion around how these resources would be operated.

**10. NCPA Wildfire Mitigation Plan** – Ron presented the Committee with background on the Public Utilities Code, Division 4.1, Chapter 6, under which this wildfire mitigation plan became necessary. Under this code, all utilities must have a plan in place. Ron reviewed the plan requirements as outlined in the Public Utilities Code. NCPA has determined that the Geothermal and Hydro plants are the highest risk sites, based on the fire risk zones identified in the CPUC Fire Threat Map. It was noted that the agreement may have to be analyzed and updated, based on new standards. Ron reviewed the mitigation measurements currently in place; most have been in place for some time.

It may be necessary to bring in assistance from a third party that has already implemented a Wildfire Mitigation Plan, to assist NCPA and ensure that we are adhering to new standards; of particular concern were the new GO 95 standards. There was some debate by the Committee as to whether approval should be deferred until next month. Ultimately, it was decided that it would be prudent to approve the current plan, so that NCPA has something in place, with the understanding that it will likely need to be amended and re-approved.

Motion: A motion was made by Bill Forsythe and seconded by Jiayo Chiang recommending Commission approval of the NCPA Wildfire Mitigation Plan, to be applied at all NCPA owned/operated facilities, and to be updated as needed by the NCPA Commission. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Lompoc, Palo Alto, Plumas-Sierra, Port of Oakland, Roseville, and Santa Clara. ABSTAIN = TID. The motion passed.

**11. CDWR WSPP Agreements** – Tony Zimmer provided background on the CDWR WSPP Master Confirmation Agreement. NCPA is a WSPP member, and can transact with other WSPP members. CDWR is also a WSPP member, however, NCPA is required to enter into a Master Confirmation Agreement in order to become fully enabled with CDWR under the WSPP. This will allow NCPA to transact with CDWR going forward. The RA market has become more volatile and constrained, and it is becoming increasingly difficult to find additional capacity to purchase. CDWR typically has available significant amounts of capacity that qualify as RA. This agreement will ensure NCPA has access to this supply, if needed.

This agreement is still in final Legal review, however, staff would prefer to have this in place sooner rather than later, especially in light of the recent fires and the upcoming Collierville outage. Tony outlined some of the unique elements of the agreement. Jane Luckhardt stated that the agreement appears straightforward, but she plans to review it further with HR.

Motion: A motion was made by Bill Forsythe and seconded by Jiayo Chiang recommending Commission approval of the CDWR WSPP Master Confirmation and associated materials (the "Contracting Package"), as further described herein, subject to the NCPA General Counsel's review and approval of the Contracting Package. A vote was taken by roll call: YES = Alameda,

Biggs, Gridley, Lodi, Lompoc, Palo Alto, Plumas-Sierra, Port of Oakland, Roseville, and Santa Clara. ABSTAIN = TID. The motion passed.

**12. CY 2019 NCPA Capacity Pool Rates**– Tony Zimmer provided some background on the NCPA Capacity Pool. The NCPA Capacity Pool enables participants within that program to trade capacity amongst themselves. The price for the capacity rate is determined on a yearly basis. Tony reviewed the historical factors used to determine the rate. The 2018 capacity pool rates were reviewed as well.

Over the course of the previous year, the Resource Adequacy market was volatile. Some of the contributing factors include the impacts of CCA's forming; these CCA's need capacity, which results in an increase in capacity prices and a decrease in availability. Tony shared with the Committee the proposed calendar year 2019 capacity pool rates.

Randy Howard asked whether the current annual review schedule still makes sense. Tony said that the possibility of seasonal or quarterly rate evaluations has been discussed by the Pooling Committee, particularly with the recent volatility in the market. The Pooling Committee has opted not to change the current cycle at this time, however, they recognize that the structure may need to be changed in the future. They have also discussed the possibility of flexible capacity being added.

Motion: A motion was made by Jiayo Chiang and seconded by Bill Forsythe recommending Commission approval establishing the following as the System and Local Resource Adequacy Capacity prices to be used in the CY 2019 NCPA Capacity Pool: System Capacity - \$2.75 / kW-Month; Local Capacity - \$3.25 / kW-Month. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Lompoc, Palo Alto, Plumas-Sierra, Port of Oakland, and Roseville. ABSTAIN = Santa Clara and TID. The motion passed.

### **13. Planning and Operations Update –**

- The City of Redding has executed the Facilities Agreement and will now be joining the Facilities Committee. Meeting materials and contact lists will be updated accordingly.
- A previously-scheduled meeting between NCPA and PG&E staff regarding the Fire Safety Program has been rescheduled due to recent fire activities.
- Staff reviewed the impacts to Members and NCPA staff as a result of the Carr Fire and the Mendocino Complex Fires. Staff also reviewed the impacts to Western Base Resources and the Bureau of Reclamation. NCPA purchased supplemental power to fill gaps in Members' portfolios as a result of base resource delivery being suspended. Individual needs of Members will be discussed in this afternoon's Pooling Committee meeting.
- Staff reviewed the reporting tools available to Members on the NCPA Connect website. Examples of some of the operational reports and graphs available were shown. Members are encouraged to use the tools available on the website.
- The recent spike in gas prices was discussed. Key contributing factors include the recent heat waves, as well as the higher gas rates in southern California. The high gas prices in southern California are due to the ongoing gas storage and transportation issues.
- It was announced that CDWR has notified NCPA that they would like to terminate their share in the Cotenancy Agreement. This agreement was put into place when the Geo units were developed. The Committee discussed the impacts of CDWR opting out of the agreement. Staff will bring this back to the Committee in the coming months.

**14. Schedule next meeting date** – the next regular Facilities Committee meeting is scheduled for September 5, 2018.

**ADJOURNMENT**

The meeting was adjourned at 11:50 am.

**Northern California Power Agency  
August 1, 2018 Facilities Committee Meeting  
Attendance List**

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

<b>MEMBER</b>	<b>NAME</b>
<b>ALAMEDA</b>	
<b>BART</b>	
<b>BIGGS</b>	
<b>GRIDLEY</b>	
<b>HEALDSBURG</b>	
<b>LODI</b>	<i>Michelle</i>
<b>LOMPOC</b>	
<b>PALO ALTO</b>	
<b>PLUMAS-SIERRA REC</b>	<i>Smile Briggs</i>
<b>PORT OF OAKLAND</b>	
<b>ROSEVILLE</b>	<i>WMA</i>
<b>SANTA CLARA</b>	
<b>TID</b>	
<b>UKIAH</b>	

