



651 Commerce Drive  
Roseville, CA 95678

phone (916) 781-3636  
fax (916) 783-7693  
web www.ncpa.com

# Minutes

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**Date:** August 4, 2021  
**To:** NCPA Facilities Committee  
**From:** Michelle Schellentrager  
**Subject:** August 4, 2021 Facilities Committee Meeting Minutes

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- 1. Call Meeting to Order & Roll Call** – The meeting was called to order by Committee Chair Basil Wong (Santa Clara) at 9:05 am. Roll call was taken. Attending via teleconference and on-line presentation were Alan Harbottle (Alameda), Catalina Sanchez and Cliff Wagner (Gridley), Terry Crowley (Healdsburg), Jiayo Chiang (Lodi), Matthew MacDonald (Lompoc), Shiva Swaminathan and Jim Stack (Palo Alto), Mike Brozo (Plumas-Sierra), Jared Carpenter (Port of Oakland), Nick Rossow (Redding), Brian Schinstock (Roseville), and Paulo Apolinario and Steve Hance (Santa Clara), and Willie Manuel and Owen Goldstrom (TID) also attended via teleconference. Those attending in person are listed on the attached Attendee Sign-in Sheet. Committee Representatives from BART, Biggs, and Ukiah were absent. A quorum of the Committee was established.

## **PUBLIC FORUM**

No public comment.

## **OPEN SESSION**

## **DISCUSSION / ACTION ITEMS**

### **2. Approval of Minutes from July 7, 2021 Facilities Committee Meeting.**

Motion: A motion was made by Terry Crowley and seconded by Jiayo Chiang recommending approval of the July 7, 2021 Facilities Committee meeting minutes. A vote was taken by roll call: YES = Alameda, Gridley, Healdsburg, Lodi, Lompoc, Redding, Roseville, and Santa Clara. The motion passed.

### **3. NCPA 2022 Plant Outage Schedule** – Staff reviewed the scheduling process and Maintenance Scope and Considerations with the Committee again.

The Annual Maintenance Scope includes activities related to regulatory compliance, electrical, mechanical, and civil type of work. Considerations which went into development of the 2022 Outage Schedule included outage balance factors (cost, mother nature/weather impacts, and market impact and impact to grid sensitivity). Staff also factored in avoiding months where load could be a factor, as well as contractor availability.

Outages for each Plant were reviewed in depth with the Committee, including dates selected and background on what activities were scheduled to take place during each outage. As requested based on feedback from Members, the Geo Plant 2, Unit 4 outage was moved from the original Oct/Nov timeframe to Nov/Dec to avoid overlap with the maintenance outages scheduled at Collierville. Gridley expressed concern surrounding the move of the Geo Plant 2 Outage. Tony Zimmer reiterated the potential negative impacts in having the Geo Plant 2 outage overlap with the Collierville outages, including the likelihood that project participants would have to purchase Alternative Capacity to offset shortages in their portfolios if the outages overlapped. There were no further questions from the Committee.

Motion: A motion was made by Brian Schinstock and seconded by Catalina Sanchez recommending approval of the NCPA 2022 Plant Outage Schedule for submission to the CAISO. A vote was taken by roll call: YES = Alameda, Gridley, Healdsburg, Lodi, Lompoc, Palo Alto, Plumas-Sierra, Redding, Roseville, Santa Clara, and TID. The motion passed.

- 4. All NCPA Facilities, Members, SPPA – Hart High Voltage Apparatus Repair and Testing Co., Inc. MTGSA** – Staff presented background information and was seeking a recommendation for Commission approval of a five-year Multi-Task General Services Agreement with Hart High Voltage Apparatus Repair and Testing Co., Inc. for specialized electrical services, with a not to exceed of \$3,000,000, for use at all facilities owned and/or operated by NCPA, NCPA Members, by SPPA, and SPPA Members. All purchase orders will be issued following NCPA procurement policies and procedures.

NCPA currently has an agreement in place with Hart High Voltage Apparatus Testing and Repair Co., Inc., which is expiring in October 2021. NCPA has used this vendor for maintenance work related to electrical equipment at its CT Plants in the past. NCPA desires to renew this agreement so established terms and conditions are kept in place should this vendor be the successful bidder on future projects. NCPA has agreements in place for similar services with Eaton Corporation, Electrical Maintenance Consultants, Inc., and Gannett Fleming, Inc. This enabling agreement does not commit NCPA to any expenditure of funds. A draft Commission Staff Report and draft agreement were available for review. It is recommended to place this item on the Commission Consent Calendar.

Motion: A motion was made by Terry Crowley 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 Hart High Voltage Apparatus Testing and Repair Co., Inc. for specialized electrical maintenance services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$3,300,000 over five years, for use at any facilities owned and/or operated by NCPA, NCPA Members, by SPPA, and SPPA Members. A vote was taken by roll call: YES = Alameda, Gridley, Healdsburg, Lodi, Lompoc, Palo Alto, Plumas-Sierra, Redding, Roseville, Santa Clara, and TID. The motion passed.

- 5. All NCPA Facilities, Members, SPPA – Cisco Air Systems, Inc. MTGSA** – Staff presented background information and was seeking a recommendation for Commission approval of a five-year Multi-Task General Services Agreement with Cisco Air Systems, Inc. for specialized OEM air compressor maintenance services, with a not to exceed of \$1,000,000, for use at all facilities owned and/or operated by NCPA, NCPA Members, by SPPA, and SPPA Members. All purchase orders will be issued following NCPA procurement policies and procedures.

NCPA currently has an agreement in place with Cisco Air Systems, Inc. NCPA's CT Plant solicits bids for ongoing OEM air compressor preventative maintenance services each year, and Cisco Air Systems, Inc. is continuously the successful bidder for the services. NCPA desires to renew this agreement so established terms and conditions are kept in place should this vendor be the

successful bidder on future projects. NCPA has an agreement in place for similar services with California Compression, LLC. This enabling agreement does not commit NCPA to any expenditure of funds. A draft Commission Staff Report and draft agreement were available for review. It is recommended to place this item on the Commission Consent Calendar.

Motion: A motion was made by Mike Brozo and seconded by Steve Hance recommending Commission approval authorizing the General Manager or his designee to enter into a Multi-Task General Services Agreement with Cisco Air Systems, Inc. for specialized air compressor 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 any facilities owned and/or operated by NCPA, NCPA Members, by SCPPA, and SCPPA Members. A vote was taken by roll call: YES = Alameda, Gridley, Healdsburg, Lodi, Lompoc, Palo Alto, Plumas-Sierra, Redding, Roseville, Santa Clara, and TID. The motion passed.

- 6. All NCPA Facilities, Members, SCPPA – Flynn Resource Consultants, Inc. MTCSA – Staff** presented background information and was seeking a recommendation for Commission approval of a Multi-Task Consulting Services Agreement with Flynn Resource Consultants, Inc. (Flynn RCI) for services related to electric transmission, power generation, regulatory support, contracts, compliance, and electric market issues, with a not to exceed of \$3,000,000, for use at all facilities owned and/or operated by NCPA, NCPA Members, by SCPPA, and SCPPA Members. All purchase orders will be issued following NCPA procurement policies and procedures.

NCPA currently has an agreement in place with Flynn Resource Consultants, Inc., which expires on August 17. BART and Alameda have used Flynn Resource Consultants, Inc. frequently in the past for general regulatory support related services. NCPA desires to renew this agreement so established terms and conditions are kept in place should this vendor be the successful bidder on future projects. This enabling agreement does not commit NCPA to any expenditure of funds. A draft Commission Staff Report and draft agreement were available for review. It is recommended to place this item on the Commission Consent Calendar.

Motion: A motion was made by Alan Harbottle and seconded by Steve Hance recommending Commission approval authorizing the General Manager or his designee to enter into 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, with a not to exceed of \$3,000,000, for use at all facilities owned and/or operated by NCPA, NCPA Members, by SCPPA, and SCPPA Members. A vote was taken by roll call: YES = Alameda, Gridley, Healdsburg, Lodi, Lompoc, Palo Alto, Plumas-Sierra, Redding, Roseville, Santa Clara, and TID. The motion passed.

- 7. Scheduling Coordination Program Agreement Appendix B – Staff** presented background information and was seeking a recommendation for Commission approval of updates to Appendix B (new version 24) of the Scheduling Coordination Program Agreement.

Staff reviewed Appendix B and how it relates to CAISO settlements for members' aggregated loads and jointly owned resources. Modifications are occasionally necessary to keep up with CAISO's evolving market settlement design changes, and to accurately reflect NCPA's business model that operates as a Load Following Metered Subsystem Aggregator (MSSA).

Staff reviewed each of the proposed modifications to be made to Appendix B of the SCPA, including reviewing the corresponding page number where the changes could be found, as well as a description regarding each change (including the type of change and whom each change

applies to). In cases where the redline effective dates occur prior to date of approval, those changes will be applied retroactively.

Motion: A motion was made by Jiayo Chiang and seconded by Shiv Swaminathan recommending Commission approval of updates to Appendix B (new version 24) of the Scheduling Coordination Program Agreement, that include new and retired settlement charge codes, as well as minor updates and revisions to various charge codes. A vote was taken by roll call: YES = Alameda, Gridley, Healdsburg, Lodi, Lompoc, Palo Alto, Plumas-Sierra, Redding, Roseville, Santa Clara, and TID. The motion passed.

- 8. NCPA Geothermal Facility – Sulphur Cake Bin Classification Standard** – Staff presented background information and was seeking a recommendation for Commission approval of Amendment to Resolution 16-89 authorizing re-classification standards of sulfur levels for the Geothermal Plant Facility, delegating authority to the General Manager or his designee to sell non-hazardous sulfur product as a soil amendment, increasing the threshold of allowable vanadium content in the sulfur cakes produced at NCPA’s Geothermal facility from the current threshold limit of 10 mg/L or 100 mg/kg to a new threshold limit of 22mg/L or 220 mg/kg, to align with current industry standards.

Staff reviewed with the Committee its process for producing the dry sulfur cakes at its Geothermal facility, as well as the testing process for determining the vanadium content levels of the sulfur cakes produced. Staff presented a table which displayed the historical sulfur bin vanadium levels from 2017 – present, which indicated that current thresholds fall far below the proposed revised limits. The economic impacts of modifying the current vanadium threshold levels were presented as well. There would be both a savings in terms of disposal costs, as well as a small increase in revenue from selling additional clean sulfur cakes.

Members wanted to know if there was any risk (specifically as it relates to liability) in increasing the vanadium levels. Staff explained that NCPA has determined that transporting materials labeled as “hazardous” based on NCPA’s current threshold limits (despite being far below the EPA limits) carries more risk.

Motion: A motion was made by Catalina Sanchez and seconded by Terry Crowley recommending Commission approval of Amendment to Resolution 16-89 authorizing re-classification standards of sulfur levels for the Geothermal Plant Facility, delegating authority to the General Manager or his designee to sell non-hazardous sulfur product as a soil amendment, increasing the threshold of allowable vanadium content in the sulfur cakes produced at NCPA’s Geothermal facility from the current threshold limit of 10 mg/L or 100 mg/kg to a new threshold limit of 22mg/L or 220 mg/kg, to align with current industry standards. A vote was taken by roll call: YES = Alameda, Gridley, Healdsburg, Lodi, Redding, Roseville, Santa Clara, and TID. ABSTAIN = Palo Alto. The motion passed.

- 9. SFWPA PPA and Third Phase Agreement** – Staff reviewed the scope of the project, including all of the units which make up the South Feather Power Project (SFPP). The SFPP is made up of the Forbestown Powerhouse (a 37.5 MW Hydroelectric Facility), the Kelly Ridge Powerhouse (an 11.0 MW Hydroelectric Faculty), Sly Creek (a 12.0 MW Hydroelectric Facility) and the Woodleaf Powerhouse (a 60.0 MW Hydroelectric Facility). Pacific Gas & Electric (PG&E) currently operates the project, but effective December 31, 2021 at midnight their current agreement will terminate (that date is the go live date for NCPA to begin dispatching the project).

If the Power Purchase Agreement moves forward, the South Feather Water Power Agency (SFWPA) will continue to own, operate, and maintain the SFPP, while NCPA will act as the scheduling coordinator and dispatch the resources. The initial term of the SFWPA Power

Purchase Agreement would run through December 31, 2031. Staff explained a longer initial term was important to ensure that RPS will count towards the project participants' long-term RPS RECs. Staff reviewed key provisions in the Power Purchase Agreement, including the compensation/settlement terms, and how RA Capacity payments and rates will be calculated. Staff also shared a table which outlines the compensation structure. Staff anticipates that this project will provide participants with fairly stable revenue stream.

In conjunction with the Power Purchase Agreement, NCPA will execute a Third Phase Agreement with the participating members which will enable NCPA to enter into the Power Purchase Agreement with SFWPA. Key provisions of the Third Phase Agreement were reviewed with the Committee.

Staff also reviewed the current project participation percentages with the Committee, and explained the methodology used in developing the percentages. Members wanted to know if NCPA would consider allowing additional members to join the project. Staff responded that further discussion regarding additional member project participants would take place in the upcoming Utility Director's Meeting, but that it could be difficult to add additional participants this late in the process, given the aggressive timeline for approvals to make sure NCPA would be ready to take over the project by the go live date.

Staff reviewed next steps, including the anticipated approval schedule for the PPA, as well as the approval schedule for each member project participant to execute the Third Phase Agreement. The PPA will be presented for approval by the NCPA Commission in its August 26, 2021 meeting. All member project participants will need to have the Third Phase Agreement approved and executed by mid-October at the latest.

Prior to making a motion, there was a discussion regarding the likelihood of the project participant percentages changing before Commission approval. Members requested that NCPA amend the motion to reflect that the Committee was recommending approval with the understanding that these numbers may be adjusted prior to Commission approval.

Motion: A motion was made by Steve Hance and seconded by Jiayo Chiang recommending Commission approval of the South Feather Water and Power Agency (SFWPA) Power Purchase Agreement (PPA) and Third Phase Agreement, as presented at the Facilities Committee meeting on August 4, 2021, including any non-substantial changes as recommended and approved by the NCPA General Counsel. This recommendation is based on the understanding that the final project participation percentages as presented in the Third Phase Agreement may be further refined prior to being presented to the Commission for consideration and approval. A vote was taken by roll call: YES = Healdsburg, Lodi, Lompoc, Palo Alto, Plumas-Sierra, Port of Oakland, Roseville, and Santa Clara. ABSTAIN = Alameda, Gridley, Redding, TID. The motion passed.

## **INFORMATIONAL ITEMS**

- 10. New Business Opportunities** – Staff stated that they continue to explore new business opportunities, including Glover Solar, and the McCloud Solar PPA, however, there were no new developments shared with the Committee at this time.
- 11. NERC Alert – Extreme Cold Weather Events** – Staff provided notice to the Committee that the NERC had released a NERC Alert regarding cold weather preparations and the upcoming development of new standards regarding winterization requirements for Generation Operators and Owners. Staff reviewed NCPA's proposed responses to the survey NERC had distributed regarding Extreme Cold Weather Events. It was noted that the survey was at times very vague. Staff also noted that it does not appear that any new standards developed around this issue would

require new equipment installations, but would instead likely result in requirements for operators to identify mitigation methods.

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

**Geo** – There were no safety recordable incidents to report for the month of July. There was one near-miss incident from a breaker failure. Safety training is 62.7% complete. The average net generation for the month was 95.4 MW. Fiscal year net generation exceeded the FY 2021 goal of 419 GWh by 5.7% at 443 GWh. The Southeast Geysers Effluent Project (SEGEP) will not be online until mid-August due to freshwater not being available as a result of ongoing draught conditions. The California Energy Commission recently has representatives tour the Geo facility. Ongoing maintenance activities were reviewed with the Committee. The Plant 1 Fire Protection Project continues, with ORR Protection beginning work on Phase 2 of the project. The Plant 1 HVAC Project is almost complete, with SitelogIQ scheduled to commission the system next week.

**Hydro** – There was a 6.0 magnitude earthquake which occurred on July 8, 2021. Immediately following the earthquake, staff reviewed the established inspection criteria and protocols. The estimated magnitude of the earthquake would not normally result in required inspection of NCPA's hydroelectric facilities, however, Staff moved forward with inspections; no damage was found at any of NCPA's hydroelectric facilities. The Henry Fire near Spicer Reservoir has been 100% contained, with no damage to any NCPA equipment or facilities. NSM is currently in a PG&E transmission induced outage that started July 1, 2021 to work on cables that are in a very rugged and hard to access canyon. PG&E estimates completion of this work around August 23. The New Spicer Meadows campground had a well failure attached to the potable water system, which required the deep well pump to be pulled and replaced. Staff is monitoring ongoing flash flood warnings at higher elevations due to forecasted thunderstorms in the area. The Murphys office HVAC and energy efficiency improvement project has been completed successfully.

**CTs** – July was another busy month for the CTs, with 21 forecasted starts for both CT1 and 7 for CT2. CT1 had 37 actual starts, and 23 ghost starts bringing the FYTD total to 60. CT2 had 22 actual starts this month bringing the FYTD total to 22 starts. There was one forced outage for CT1 LOD Gas Compressor. There were no planned outages for the month of July. The approximate margin for the heat event for CT1 is \$600,000, and for CT2 is \$430,000. Real-Time CT1 Lodi had 6 starts dispatched as a loss, \$9,243 bid cost recovery.

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

### **Current Resource Integration Activities Include**

- SFWPA (Members) – December 19, 2021
- Sky River Wind (BART) – September 1, 2021
- Slate 1 Solar (BART) – October 31, 2021
- Ukiah Mendocino Hydro (Ukiah) – Ongoing
- Antelope Solar (NCPA) – December 1, 2021
- Camp Far West (SVP) – Q4, 2021
- Henrietta D Energy Storage – TBD

### **California State Emergency Program (CSEP)**

- State seeking eligible participants to be compensated for incremental load reduction
- Program the result of concerns in market conditions due to ongoing drought
- Program to be administered by utilities, with compensation provided by the State
- Compensation for Standby Service: \$0.75/kWh, Load Reduction: \$2/kWh
- August 15 deadline for participant sign up

- NCPA Staff will schedule a phone call with select Members to discuss further  
**Portable Gas Generators at LEC**
- The Governor's office approached NCPA regarding placement of portable gas generators near/next to LEC
- CDWR is taking the lead
- If it looks like this will move forward, NCPA will present additional information to Committees for review.

**14. Next Meeting** – The next Facilities Committee meeting is scheduled for September 1, 2021.

### **ADJOURNMENT**

The meeting was adjourned at 12:10 pm by the Committee Chair.