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Minutes

Date: August 8, 2019
To: NCPA Facilities Committee
From: Carrie Pollo
Subject: August 7, 2019 Facilities Committee Meeting Minutes

- 1. Call meeting to order & Roll Call** – The meeting was called to order by Committee Vice-Chair Bill Forsythe at 9:05 am. A sign-in sheet was passed around. Attending via teleconference and/or on-line presentation were Alan Harbottle and Alex Smith (Alameda), Mark Sorensen (Biggs), Terry Crowley (Healdsburg), Shiva Swaminathan (Palo Alto), Basil Wong and Steve Hance (Santa Clara), and Willie Manual (TID). Those attending in person are listed on the attached Attendee Sign-in Sheet. Committee Representatives from BART, Gridley, Lompoc, Plumas-Sierra, Port of Oakland, Redding, and Ukiah were absent. Introductions included Joel Ledesma, new Generations Services AGM, and Brian Schinstock, Electric Resource Analyst, with Roseville Electric. A quorum of the Committee was established.

PUBLIC FORUM

No public comment.

- 2. Approve Minutes from the July 3, 2019 Facilities Committee Meeting.**

Motion: A motion was made by Jiayo Chiang and seconded by Bill Forsythe recommending approval of the July 3, 2019 Facilities Committee meeting minutes. A vote was taken by roll call: YES = Alameda, Biggs, Healdsburg, Lodi, Palo Alto, Roseville, Santa Clara, and TID. The motion passed.

- 3. All Generation Services Facilities – Brenntag Pacific, Inc. MTS** – Staff presented background information and was seeking a recommendation for Commission approval of a five-year Multi-Task Agreement for Purchase of Supplies with Brenntag Pacific, Inc., for purchase of chemicals, with a not to exceed amount of \$2,500,000, for use at all facilities owned and/or operated by NCPA. This is a renewal agreement with an existing vendor. It is an enabling agreement with no commitment of funds. This company is based in Santa Fe Springs, CA, but provides local delivery of supplies. All purchase orders issued pursuant to the agreement will be charged against approved Annual Operating Budgets. A draft Commission Staff Report and the draft agreement were available for review.

Motion: A motion was made by Shiva Swaminathan and seconded by Bill Forsythe recommending Commission approval authorizing the General Manager or his designee to enter into a Multi-Task Agreement for Purchase of Supplies with Brenntag Pacific, Inc. for bulk

chemical purchases, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$2,500,000.00 over five years, for use at all facilities owned and/or operated by NCPA. A vote was taken by roll call: YES = Alameda, Biggs, Healdsburg, Lodi, Palo Alto, Roseville, Santa Clara, and TID. The motion passed.

- 4. NCPA CT1 Facilities – Circuit Breaker Replacement Project** – Staff provided background information and was seeking a recommendation for Commission approval to replace the generator circuit breakers at both the CT1 Alameda and CT1 Lodi facilities. Both CT1 Unit generator circuit breakers are inspected annually with maintenance performed as needed. During recent annual maintenance, tests indicated circuit breaker timing response issues. It has been determined that the breakers are at the end of life, and all spare parts have been used with no more available. NCPA staff recommend replacement of the generator circuit breakers. Staff will bid the work needed to carry out the project according to NCPA's Procurement Policies and Procedures. The estimated cost for this project is \$510,000.00.

Motion: A motion was made by Jiayo Chiang and seconded by Bill Forsythe recommending Commission approval authorizing the replacement of the generator circuit breakers at NCPA's CT1 Alameda and CT1 Lodi facilities and authorizing the General Manager or his designee to enter into agreements and issue purchase orders to complete this work without further approval by the Commission, with a total cost not to exceed \$510,000.00. A vote was taken by roll call: YES = Alameda, Biggs, Healdsburg, Lodi, Palo Alto, Roseville, and Santa Clara. ABSTAIN = TID. The motion passed.

- 5. NCPA Geothermal Facilities – Modify Scope of Current Geothermal Drilling Project** – Staff presented background information and was seeking a recommendation for Commission approval to modify the scope of the current Geothermal Drilling Project to including sites Q-10 and Q-3, pending completion of current P-Site drilling, and assuming the current project comes in under budget.

The Commission approved the P-Site Drilling Project in November 2018 for a not to exceed amount of \$9 million. The P-Site Drilling Project is nearing completion, and it currently appears that this project will come in under the initial budgeted amount. Staff would like to use remaining funds to complete work on two additional wells, which are Q-10 and Q-3. Work on the Q-Site wells is contingent on P-Site drilling coming in at least \$3 million or more under budget. Staff propose fixing Q-10 first. The casing is ripped with rocks falling down inside the well, blocking the injection water from passing through to the reservoir. It is an extremely valuable injector that was completed in 2006. It will be either P&N or plug and abandon. If funds remain after fixing Q-10, staff propose fixing Q-3, which is a very simple fix.

Motion: A motion was made by Steve Hance and seconded by Bill Forsythe recommending Commission approval expanding the scope of the current P-Site Drilling Project to include additional work on Q-Site wells using excess funds from the P-Site Drilling Project, and authorizing the General Manager or his designee to issue purchase orders for the additional work on the Q-Site wells. A vote was taken by roll call: YES = Alameda, Biggs, Healdsburg, Lodi, Roseville, Santa Clara, and TID. ABSTAIN = Palo Alto. The motion passed.

- 6. All Generation Services Facilities, Members, SCPPA – Aspen Environmental First Amendment to MTCSA** – Staff presented background information and was seeking a recommendation for Commission approval of a First Amendment to the five-year Multi-Task Consulting Services Agreement with Aspen Environmental Group for electric system resource planning and assessment services, increasing the not to exceed amount from \$240,000 to \$1,000,000, for use at all facilities owned and/or operated by NCPA, its Members, SCPPA, and SCPPA Members. The current agreement has been used by numerous NCPA Members, and is

now low on funds. Staff recommend increasing the amount to keep utilizing this agreement. This is an enabling agreement with no commitment of funds. All purchase orders issued pursuant to the agreement will be charged against approved Annual Operating Budgets. A draft Commission Staff Report and the draft agreement were available for review.

Motion: A motion was made by Jiayo Chiang and seconded by Bill Forsythe recommending Commission approval authorizing the General Manager or his designee to enter into a First Amendment to the Multi-Task Consulting Services Agreement with Aspen Environmental Group, with any non-substantial changes as recommended and approved by the NCPA General Counsel, increasing the not to exceed amount from \$240,000 to \$1,000,000, for use at any facilities owned and/or operated by Agency, its Members, SCPPA, or SCPPA Members, with the exception of NCPA's Lodi Energy Center. A vote was taken by roll call: YES = Alameda, Biggs, Healdsburg, Lodi, Palo Alto, Roseville, and Santa Clara. ABSTAIN = TID. The motion passed.

- 7. All Generation Services Facilities, Members, SCPPA – IEC Corporation MTPSA – Staff** provided background information and was seeking a recommendation for Commission approval of a five-year Multi-Task Professional Services Agreement with Integrated Engineers & Contractors Corporation dba IEC Corporation, for energy related consulting services, with a not to exceed amount of \$1,000,000, for use at all facilities owned and/or operated by NCPA, its Members, SCPPA, and SCPPA Members. This is a renewal agreement with an existing vendor. It is an enabling agreement with no commitment of funds. All purchase orders issued pursuant to the agreement will be charged against approved Annual Operating Budgets. A draft Commission Staff Report and the draft agreement were available for 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 Professional Services Agreement with Integrated Engineers and Contractors Corporation dba IEC Corporation for energy related consulting 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, the Southern California Public Power Authority ("SCPPA"), or by SCPPA Members. A vote was taken by roll call: YES = Alameda, Biggs, Healdsburg, Lodi, Palo Alto, Roseville, and Santa Clara. ABSTAIN = TID. The motion passed.

- 8. Generation Services 2020 Outage Schedule – Staff** reviewed the proposed draft 2020 Outage Schedule for NCPA's CT, Geo, and Hydro facilities and was seeking a recommendation for Facilities Committee approval. After discussing the proposed plant outages, it was decided to bring this item back for approval at the next meeting. Members expressed concern about the two outages for the Geo plants during two different months. This may cause conflicts with scheduling and/or substituting RA during this time. Staff will re-evaluate and try to reschedule both plant outages in April, proposing one at the beginning of the month, and one towards the end of the month.
- 9. PG&E Negotiated Gas Transmission Rate Agreement – Staff** gave background information and was seeking a recommendation for Commission approval of the PG&E Negotiated Gas Transmissions Rate Agreement.

PG&E filed a gas transmission rate case in November 2017. This case is still moving through the approval process including CPUC hearings and is nearing a final decision. NCPA has been participating on the rate case through the Northern California Generation Coalition (NCGC) which includes Redding, Roseville, Silicon Valley Power, Modesto Irrigation District (MID), and Turlock Irrigation District (TID), as well as NCPA. The Administrative Law Judge issued a proposed decision late July 2019. The original proposal was \$1.65/MMBtu, and has dropped

significantly to \$1.10/MMBtu. The PG&E negotiated rate consists of two components, including a fixed fee based on estimated revenue requirements for EG-LT transmission cost only, and a variable component equal to the other components in the transmission rate that are not directly associated with gas pipeline transmission costs (i.e.-CPUC, Energy efficiency, etc.) plus a \$0.05 adder. Parties recognize the gas transportation costs are impacting the wholesale market prices. The proposed decision is recommending PG&E conduct hearings to look for alternative rate designs for the market responsive EG-LT.

A CPUC hearing is scheduled for late August. Most experts think the CPUC will approve the proposed decision for the negotiated transmission rate, at the August meeting. If this is approved in the August CPUC meeting, PG&E will file new rates that will go into effect October 1, 2019. Rate design hearings will be scheduled within 90 days of the CPUC approval of the proposed rate case decision. This date could still change as Calpine and SMUD are fighting the need of a hearing for all. Randy Howard thanked Ken Speer and Steve Hance for all their outstanding work on this rate case.

Motion: A motion was made by Jiayo Chiang and seconded by Basil Wong recommending Commission approval of the PG&E Negotiated Gas Transmissions Rate Agreement, subject to legal counsel review. A vote was taken by roll call: YES = Alameda, Biggs, Healdsburg, Lodi, Palo Alto, Roseville, and Santa Clara. ABSTAIN = TID. The motion passed.

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

CTs – The July operations for CT1 included 15 actual starts with 22 ghost starts, of 62 starts forecasted, bringing the FYTD to 37 total. The 22 ghost starts brought in \$26,000. CT2 had 4 actual starts out of 7 forecasted for a FYTD of 4. CT2 had a planned forced outage to replace isolation valves and pump, for chiller work. The chiller is a big air conditioner to keep the plant operating at a cooler temperature and maximize the MW output.

Geo – There was one safety incident to report at Geo for the month of July. A contractor on site was stung by a bee while backing his vehicle up, so hit a 21kV pole. No injuries were reported, however the pole was damaged, and was de-energized during the accident. The contractor will take care of and pay for all repairs. Fire mitigation measures continue with inspections of the transmission towers, and vegetation management around pipelines, roads, and buildings as well. BLM also gave approval to re-establish fire breaks, and is coordinating with Roseville on developing a fire mitigation strategy. Net generation for July totaled 84.5MW. The estimated monthly total was 62.9GWhr, 2.3% above forecast. The P-9 and P-7 well workovers have been completed. The P-7 well is working great since the workover. P-9 was plugged and abandoned. Remaining well workovers include P-5 and P-4. The estimated cost for this project is \$3 million out of a \$9 million budget. The estimated completion of the P-site well workovers is late August, or early September.

Hydro – The Collierville Generator Rewind for Unit 1 started August 5, 2019. The turbine has been removed with the runner down, and is currently on deck for the contractor to inspect. This project is scheduled to be finished before Thanksgiving with staff and contractors working around the clock. Staff will update the Committee next month with progress of this project.

11. Amendment No. 1 to Cotenancy Agreement – Staff provided an update regarding the status of Amendment No. 1 to the Castle Rock Junction-Lakeville 230-kV Transmission Line Agreement.

NCPA is a cotenant and “Party” to the Agreement of Cotenancy in the Castle Rock Junction to Lakeville 230kV transmission line. The cotenancy line connects the NCPA Geothermal projects to the CAISO controlled Grid. NCPA, SVP, CDWR, and PG&E all own transmission entitlements to the line. CDWR provided notice of its intent to withdraw from the agreement, on July 30, 2018.

PG&E, with support from NCPA and SVP, filed an amendment at FERC acknowledging CDWR's request for termination. CDWR is disputing the cost of removal for terminating the agreement. The amendment filed effectively rejected CDWR's request, pending resolution of the cost of removal in dispute. All other matters have been delayed until this issue is resolved. NCPA and SVP are planning to jointly file comments in support of PG&E's position. This should provide additional time and process to resolve the cost of removal dispute, and other outstanding matters between the parties. Pending FERC action, NCPA anticipates this matter will be set for a settlement hearing.

12. New Business Opportunities – Staff provided an update regarding new business opportunities.

NCPA previously submitted a proposal to Nevada Irrigation District (NID) to supply scheduling and dispatch services for the Deer Creek Powerhouse. On behalf of Lompoc, NCPA augmented the proposal and also submitted an offer to purchase the output of the project for a period of two (2) years. NID has acknowledged receipt of NCPA's proposals, but indicated that due to staff vacations, they would provide a response to NCPA's proposal in August 2019.

NCPA submitted a draft proposal to South Feather Water and Power Agency (SFWPA). Power Management services would include scheduling and dispatch services, and/or purchasing the SFWPA hydroelectric output. The NCPA technical team toured SFWPA facilities on July 29, 2019, focusing on SCADA, communications, and control systems. Staff are taking integration steps, and have created a collaboration site on NCPA Connect to share information. Staff submitted an indicative offer to purchase the output of the project through a long-term PPA. SFWPA responded with questions and comments. Staff have scheduled a meeting with SFWPA to continue negotiations. The PG&E contract with SFWPA expires July 1, 2020.

13. Planning and Operations Update –

- Staff have been working on a couple of major software upgrade projects, including an ADS system upgrade, and a new LEC Multi-Stage Generator Unit Model (MSG). The ADS upgrade will help with automation of CAISO dispatch instructions, and will increase efficiency and durability. The new MSG software will enable LEC to be dispatched in different operating modes which will be a key benefit enabling energy produced during the LEC start-up to be scheduled into the DAM.
- Staff have been working on an update to the staffing study and operational impacts regarding increasing provision of services to Members and customers. The study is focused on NCPA processes as well as staffing, plus the NERC low to medium impacts on operations. Staff will update the Committee when the final study is completed either in September or October.
- CAISO TAC – Due to transmission costs through the Scheduling Coordinator Agreement, Member collateral deposits in the GOR account have increased significantly. Staff is currently evaluating and developing a summary regarding this issue. When completed, staff will update the Committee.

14. Schedule next meeting date – the next regular Facilities Committee meeting is scheduled for September 4, 2019

ADJOURNMENT

The meeting was adjourned at 12:05 pm.

**Northern California Power Agency
August 7, 2019 Facilities Committee Meeting
Attendance List**

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

<u>MEMBER</u>	<u>NAME</u>
ALAMEDA	
BART	
BIGGS	
GRIDLEY	
HEALDSBURG	
LODI	<i>Grayo Li'ang</i>
LOMPOC	
PALO ALTO	
PLUMAS-SIERRA REC	
PORT OF OAKLAND	
REDDING	
ROSEVILLE	<i>Bill Forsythe</i>
SANTA CLARA	
TID	
UKIAH	