



12745 N. Thornton Road  
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## LEC PPC Agenda

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**Date:** August 3, 2016  
**Subject:** August 8, 2016 Lodi Energy Center Project Participant Committee Meeting  
**Location:** 12745 N. Thornton Road, Lodi, CA and/or Posted Teleconference Locations  
**Time:** 10:00 a.m.

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\*\*\* In compliance with the Brown Act, you may participate in person at the meeting location or via teleconference at one of the locations listed below. In either case, please: (1) post this notice at a publicly accessible location at the participation location at least 72-hours before the meeting begins, and (2) have a speaker phone available for any member of the public who may wish to attend at your location.

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NCPA 651 Commerce Drive Roseville, CA 95678	NCPA 12745 N. Thornton Road Lodi, CA 95241	CITY OF HEALDSBURG 401 Grove Street Healdsburg, CA 95448
BAY AREA RAPID TRANSIT 300 Lakeside Drive, 16 <sup>th</sup> Floor Oakland, CA 94612	CITY OF GRIDLEY 685 Kentucky Street Gridley, CA 95948	CITY OF LOMPOC 100 Civic Center Plaza Lompoc, CA 93438
CITY OF BIGGS 465 "C" Street Biggs, CA 95917	PLUMAS-SIERRA RURAL ELECTRIC COOP 73233 Highway 70 Portola, CA 96122	POWER & WATER RESOURCES POOLING AUTHORITY 418 32 Street Glenwood Springs, CO 81601
CALIFORNIA DEPARTMENT OF WATER RESOURCES 2135 Butano Drive, Suite 100 Room 125 Sacramento, CA 95825	SILICON VALLEY POWER/CITY OF SANTA CLARA 1500 Warburton Avenue, Santa Clara, CA 95050	CITY OF UKIAH 300 Seminary Avenue Ukiah, CA 95482

*The Lodi Energy Center Project Participant Committee may take action on any of the items listed on this Agenda regardless of whether the matter appears on the Consent Calendar or is described as an action item, a report, or an information item. If this Agenda is supplemented by staff reports, they are available to the public upon written request. Pursuant to California Government Code Section 54957.5, the following is the location at which the public can view Agendas and other public writings: NCPA, 651 Commerce Drive, Roseville, CA or [www.ncpa.com](http://www.ncpa.com)*

*Persons requiring accommodations in accordance with the Americans with Disabilities Act in order to attend or participant in this meeting are requested to contact the NCPA Secretary at 916.781.3636 in advance of the meeting to arrange for such accommodations.*

## **1. Call Meeting to Order and Roll Call**

### **PUBLIC FORUM**

Any member of the public who desires to address the Lodi Energy Center Project Participant Committee on any item considered by the Lodi Energy Center Project Participant Committee at this meeting, before or during the Committee's consideration of that item, shall so advise the Chair and shall thereupon be given an opportunity to do so. Any member of the public who desires to address the Lodi Energy Center Project Participant Committee on any item within the jurisdiction of the Lodi Energy Center Project Participant Committee and not listed on the Agenda may do so at this time.

- 2. Meeting Minutes** - Approval of July 11, 2016, regular meeting minutes and July 18, 2016 special meeting minutes

### **MONTHLY REPORTS**

- 3. Operational Report for July 2016** - (*Jeremy Lawson*)
- 4. Market Data Report for July 2016** – Verbal Report (*Bob Caracristi*)
- 5. Monthly Asset Report for June 2016** – (*Michael DeBortoli*)
- 6. Bidding Strategies Report** - Verbal Report and update regarding bidding strategies and regulation down revenues (*Ken Goeke*)

### **CONSENT CALENDAR**

All items on the Consent Calendar are considered routine and will be approved without discussion by a single roll call vote. Any Project Participant or member of the public may remove any item from the Consent Calendar. If an item is removed, it will be discussed separately following approval of the remainder of the Consent Calendar. Prior to the roll call vote to approve the Consent Calendar, the Participants will be polled to determine if any Participant wishes to abstain from one or more items on the Consent Calendar.

- 7. Treasurer's Report for July 2016** - Accept by all Participants
- 8. Financial Report for July 2016** - Approve by all Participants
- 9. GHG Reports (excerpted from monthly ARB)** - Accept by all Participants
- 10. Outage Schedule for 2017** – Staff seeking approval of the outage schedule for calendar year 2017

*Persons requiring accommodations in accordance with the Americans with Disabilities Act in order to attend or participant in this meeting are requested to contact the NCPA Secretary at 916.781.3636 in advance of the meeting to arrange for such accommodations.*

- 11. LEC PMOA Schedule 6 – Contact List** – Staff seeking approval of revised Schedule 6.00 of the Project Management and Operations Agreement to update the contact information for the Project Participants.

Consent Items pulled for discussion: \_\_\_\_\_

### **BUSINESS ACTION ITEMS**

- 12. Fuel Supply Procurement, Delivery and Management for LEC** – Staff seeking approval of the Assignment, Assumption, and Consent Agreement under which the fuel management services currently provided by Mercuria Energy America, Inc. will be transferred and assigned to EDF Trading North America, LLC. and revision to PMOA Schedule 2.00, Fuel Supply Procurement, Delivery and Management (*Tony Zimmer*)

### **INFORMATIONAL/ DISCUSSION ITEMS**

- 13. Refinancing Alternatives** – Staff to provide update regarding status of refinancing alternatives (*Donna Stevener*)

- 14. Other New Business**

### **CLOSED SESSION**

- 1. 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
- 2. CONFERENCE WITH LEGAL COUNSEL** – Anticipated Litigation; Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Government Code section 54956.9 – One (1) case

### **RECONVENE TO OPEN SESSION**

- 15. Report on action taken in Closed Session**

### **ADJOURNMENT**

Next Regular Meeting: September 12, 2016

*Persons requiring accommodations in accordance with the Americans with Disabilities Act in order to attend or participant in this meeting are requested to contact the NCPA Secretary at 916.781.3636 in advance of the meeting to arrange for such accommodations.*

**Lodi Energy Center**  
**Project Participant Committee Regular Meeting**  
**July 11, 2016 - MEETING MINUTES**  
Location: Lodi Energy Center  
12745 N. Thornton Rd, Lodi CA 95242  
and by teleconference  
10:00 A.M.

**1. Call Meeting to Order and Roll Call**

The PPC meeting was called to order at 10:00 a.m. by Vice Chair Martin Caballero. He asked that roll be called for the Project Participants as listed below.

<b>PPC Meeting Attendance Summary</b>		
<b>Participant</b>	<b>Attendance</b>	<b>Particulars / GES</b>
Azusa - Lehr	Present	2.7857%
BART - Lloyd	Absent	6.6000%
Biggs - Sorenson	Absent	0.2679%
CDWR - Forsythe	Present	33.5000%
Gridley - Borges	Absent	1.9643%
Healdsburg - Crowley	Absent	1.6428%
Lodi - Price	Present	9.5000%
Lompoc - Singh	Present	2.0357%
MID - Caballero	Present	10.7143%
Plumas-Sierra - Brozo	Absent	0.7857%
PWRPA - Bradley	Absent	2.6679%
SVP - Kinnear	Present	25.7500%
Ukiah - Grandi	Absent	1.7857%
<b>Summary</b>		
Present	6	84.2857%
Absent	7	15.7143%
Quorum by #:	No	
Quorum by GES:	Yes	
Meeting Date:	July 11, 2016	

**Public Forum**

Vice Chair Caballero asked if any members of the public were present in Lodi or at any of the other noticed meeting locations who would like to address the PPC on any agenda items or on any item within the jurisdiction of the LEC PPC and not listed on the agenda. No members of the public were present.

**2. Meeting Minutes**

The draft minutes of the regular meeting held on June 13, 2016, were considered. The LEC PPC considered the following motion:

**Date:** 7/11/2016

**Motion:** The PPC approves the minutes of the June 13, 2016 regular meeting as presented.

**Moved by:** Lodi

**Seconded by:** CDWR

**Discussion:** There was no further discussion.

Vote Summary on Motion		
Participant	Vote	Particulars / GES
Azusa	Yes	2.7857%
BART	Absent	6.6000%
Biggs	Absent	0.2679%
CDWR	Yes	33.5000%
Gridley	Absent	1.9643%
Healdsburg	Absent	1.6428%
Lodi	Yes	9.5000%
Lompoc	Yes	2.0357%
Modesto	Yes	10.7143%
Plumas-Sierra	Absent	0.7857%
PWRPA	Absent	2.6679%
Silicon Valley Power	Yes	25.7500%
Ukiah	Absent	1.7857%
<b>Vote Summary</b>		
Total Ayes	6	84.2857%
Total Noes	0	0.0000%
Total Abstain	0	0.0000%
Total Absent	7	15.7143%
Result:	Motion passed.	

## **MONTHLY REPORTS**

### **3. Operational Reports for June 2016**

Jeremy Lawson presented the Operational Report for June. There were no OSHA recordable accidents, no permit violations and no NERC/WECC violations. The report reflected monthly production of 66,596 MWH, 280 service hours, and equivalent operating availability of 46.39%. The report set forth the Capacity Factor @ 280MW Pmax of 33.03% and @ 302MW Pmax of 30.63%. There were 14 hot starts, zero warm starts, and two cold starts during the month. Jeremy reported one forced outage when the plant was forced out of service for two hours to repair a leaking pressure relief valve. The work was performed offline with no RA penalty. The new valve proved to be faulty. Staff did not take a forced outage for the second replacement and the valve is working well. As previously reported, the next scheduled outage is planned for May 2017.

#### **4. Market Data Report for June 2016**

Bob Caracristi discussed the operating and financial settlement results for the month which dove-tailed with the Operational Report. He spoke of some lessons learned with respect to the CAISO submission of bids and the RA.

#### **5. Monthly Asset Report**

Mike DeBortoli presented the monthly asset report and budget review for May. He said the poor trend continues due to lower than anticipated revenues. He noted the VOM costs went up this month and are above forecast because air filters were changed during the month. Overall the report for May shows costs are above budget by 3.06%.

#### **6. Bidding Strategies Report**

Ken Goeke presented the monthly report about the bidding strategies utilized, regulation revenues and costs comparison in June. No special strategies were used except for hours 23 and 24 where the incremental bids are still being reduced to avoid shut down and cycling. He noted, however, there were no full day runs in June. The plant seems to be dispatched when temperatures hit 90-95 degrees in the afternoon. Staff is adding that observation to the modeling. He noted also that on June 4 incremental bids were not put in real time at minimum load which resulted in a loss of \$4,000. Going forward incremental bids will always be submitted.

#### **Consent Calendar (Items 7 – 13)**

The consent calendar was considered. Vice Chair Caballero requested that item no. 14, Flynn Resources Consultants, Inc. agreement, be removed from the Consent calendar for separate discussion. He asked if any Participant wished to have any other item removed for separate discussion. Hearing no additional requests, he then asked if any Participant wished to abstain from one or more items on the Consent Calendar. There were no abstentions. The LEC PPC considered the following motion:

**Date:** 7/11/2016

**Motion:**

The PPC approves the Consent Calendar items consisting of agenda items no. 7. Treasurer's Report for June 2016; 8. Financial Reports for June 2016; 9. GHG Reports excerpted from monthly ARB; 10. Cisco Air Systems five year Multi-Task General Services Agreement for not to exceed \$500,000 for air compressor maintenance and services for use at NCPA, Member/SCPPA facilities; 11. 3D Technical Services, Inc. five year Multi-Task General Services Agreement for not to exceed \$500,000 for electrical and instrumentation services for use at NCPA, Member/SCPPA facilities; 12. GHD, Inc. five year Multi-Task Professional Services Agreement for not to exceed \$2,500,000 for engineering services for use at NCPA, Member/SCPPA facilities; and 13. Pengo Wireline of California, Inc. First Amendment to existing three year Multi-Task General Services Agreement for downhole wireline services increasing the not to exceed amount from \$180,000 to \$500,000 for use at NCPA facilities; and all agreements approved with any non-substantial changes recommended and approved by the NCPA General Counsel.

**Moved by:** SVP  
**Seconded by:** Lodi

Discussion: There was no further discussion.

Vote Summary on Motion		
Participant	Vote	Particulars / GES
Azusa	Yes	2.7857%
BART	Absent	6.6000%
Biggs	Yes	0.2679%
CDWR	Yes	33.5000%
Gridley	Absent	1.9643%
Healdsburg	Absent	1.6428%
Lodi	Yes	9.5000%
Lompoc	Yes	2.0357%
Modesto	Yes	10.7143%
Plumas-Sierra	Absent	0.7857%
PWRPA	Absent	2.6679%
Silicon Valley Power	Yes	25.7500%
Ukiah	Absent	1.7857%
<b>Vote Summary</b>		
Total Ayes	7	84.5536%
Total Noes	0	0.0000%
Total Abstain	0	0.0000%
Total Absent	6	15.4464%
Result: Motion passed.		

#### **14. Flynn Resources Consultants, Inc. Agreement**

Ken Speer briefed the Committee about the scope of services included in this five year enabling agreement with Flynn RCI. The primary anticipated services are in the areas of electric transmission, resource planning, regulatory support, modeling, studies, and compliance. The agreement contemplates a not to exceed amount of \$3,000,000 for services over the five year term. Ken noted that any purchase order which exceeds \$250,000 would need to be brought back for specific approval and also go to the Commission in accordance with NCPA's purchasing policies. Joyce Kinnear said she is familiar with Flynn's services through the BAMX agreement. The LEC PPC considered the following motion:

**Date:** 7/11/2016

**Motion:** The PPC approves Flynn Resources Consultants, Inc. five year Multi-Task Consulting Services Agreement for not to exceed \$3,000,000 for services related to electric transmission, power generation, regulatory support, contracts, compliance and electric market issues; the agreement was approved with any non-substantial changes recommended and approved by the NCPA General Counsel.

**Moved by:**  
**Seconded by:**

**Lodi**  
**SVP**

Discussion: There was no further discussion.

Vote Summary on Motion		
Participant	Vote	Particulars / GES
Azusa	Yes	2.7857%
BART	Absent	6.6000%
Biggs	Yes	0.2679%
CDWR	Yes	33.5000%
Gridley	Absent	1.9643%
Healdsburg	Absent	1.6428%
Lodi	Yes	9.5000%
Lompoc	Yes	2.0357%
Modesto	Yes	10.7143%
Plumas-Sierra	Absent	0.7857%
PWRPA	Absent	2.6679%
Silicon Valley Power	Yes	25.7500%
Ukiah	Absent	1.7857%
<b>Vote Summary</b>		
Total Ayes	7	84.5536%
Total Noes	0	0.0000%
Total Abstain	0	0.0000%
Total Absent	6	15.4464%
Result: Motion passed.		

### **BUSINESS ACTION ITEMS**

None.

### **INFORMATIONAL ITEMS**

#### **15. Proposed Outage Schedule for 2017**

Mike DeBortoli presented the proposed outage schedule for calendar year 2017. He asked that the Committee take it back to staff for review. The schedule will be presented at the August meeting for approval. He is hopeful the dates for the outage in May will be unchanged. Chair Caballero said May is good timing due to limited market values but asked that consideration be given as to whether there is risk of the outage being extended beyond May 28 and into June.

#### **16. Other New Business**

Sondra Ainsworth, Treasurer/Controller for NCPA, advised the Committee that NCPA is looking at refinancing opportunities for some portions of the debt. Ken Speer asked that when looking at opportunities for NCPA that the financial advisors also consider the CDWR debt as well. Staff will report back with the results of this review.



### **Adjournment**

The next regular meeting of the PPC is scheduled for Monday, August 8, 2016. The meeting was adjourned at 10:47 a.m.

Submitted by: Linda Stone

DRAFT

**Lodi Energy Center**  
**Project Participant Committee SPECIAL Meeting**  
**July 18, 2016 - MEETING MINUTES**  
Location: Lodi Energy Center  
12745 N. Thornton Rd, Lodi CA 95242  
and by teleconference  
4:00 P.M.

**1. Call Meeting to Order and Roll Call**

The PPC special meeting was called to order at 4:01 p.m. by Chairman George Morrow. He asked that roll be called as listed below.

<b>PPC Meeting Attendance Summary</b>		
<b>Participant</b>	<b>Attendance</b>	<b>Particulars / GES</b>
Azusa - Morrow	Present	2.7857%
BART - Lloyd	Absent	6.6000%
Biggs - Sorenson	Present	0.2679%
CDWR - Yarbrough	Present	33.5000%
Gridley - Borges	Absent	1.9643%
Healdsburg - Crowley	Absent	1.6428%
Lodi - Kirkley	Present	9.5000%
Lompoc - Singh	Present	2.0357%
MID - Caballero	Absent	10.7143%
Plumas-Sierra - Brozo	Absent	0.7857%
PWRPA - Bradley	Present	2.6679%
SVP - Hance	Present	25.7500%
Ukiah - Grandi	Absent	1.7857%
<b>Summary</b>		
Present	7	76.5072%
Absent	6	23.4928%
Quorum by #:	Yes	
Quorum by GES:	Yes	
Meeting Date:	July 18, 2016 Special Meeting	

**Public Forum**

Chairman Morrow asked if any members of the public were present in Lodi or at any of the other noticed meeting locations who would like to address the PPC on any agenda items. No members of the public were present.

**Adjourn to Closed Session**

The PPC adjourned to closed session at 4:05 p.m. A Closed session discussion was had pursuant to paragraph (4) of subdivision (d) of Government Code section 54956.9. Martin Caballero of MID joined the meeting at 4:06 p.m.

At 4:55 p.m. the Committee returned to Open Session. Attorney Ruthann Ziegler advised that reportable action was taken during the Closed Session. She asked that the clerk read for the record the motion, who so moved, and the vote taken, as follows:

**Date:** 7/18/2016

**Motion:**

The PPC approves moving forward, as part of the Northern California Generation Coalition (NCGC), with an application for rehearing before the California Public Utilities Commission (CPUC) in the PG&E Natural Gas Storage and Transport Rate Case. Staff to work with the NCGC to determine whether a joint filing is appropriate. Further, this application is subject to NCPA Commission approval as appropriate.

**Moved by:**

**Azusa**

**Seconded by:**

**Lodi**

Discussion: There was no further discussion.

Vote Summary on Motion		
Participant	Vote	Particulars / GES
Azusa	Yes	2.7857%
BART	Absent	6.6000%
Biggs	Yes	0.2679%
CDWR	Yes	33.5000%
Gridley	Absent	1.9643%
Healdsburg	Absent	1.6428%
Lodi	Yes	9.5000%
Lompoc	Yes	2.0357%
Modesto	Yes	10.7143%
Plumas-Sierra	Absent	0.7857%
PWRPA	Abstain	2.6679%
Silicon Valley Power	Yes	25.7500%
Ukiah	Absent	1.7857%
<b>Vote Summary</b>		
Total Ayes	7	84.5536%
Total Noes	0	0.0000%
Total Abstain	1	2.6679%
Total Absent	5	12.7785%
Result:	Motion passed.	

**Adjournment.**

Chairman Morrow adjourned the special meeting at 4:57 p.m.

Submitted by: Linda Stone



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## **Lodi Energy Center Project Participant Committee Operational Report**

**Agenda Item No.: 3**

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**Date:** 8/8/2016  
**To:** Lodi Energy Center Project Participant Committee

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### **Safety**

- OSHA Recordable: 0 Accidents

### **Notice of Violations**

- Permits: 0 Violations
- NERC/WECC: 0 Violations

### **Outage Summaries:**

- **7/20/16 (11:14 – 12:40) Steam Turbine Trip on High Back Pressure** – During startup the Steam Turbine tripped on HP exhaust pressure. A new minimum HRH valve position was implemented, the plant was restarted and placed online into service.

### **Planned Outage Summaries:**

- 2017 May: Steam Turbine Limited Overhaul (Steam Turbine Bearing Inspection, Steam Turbine Valve Inspection, Alignments, etc.)

**Generating Unit Statistics:**

LEC

**Report****Date:**

Start Date 7/1/2016

End Date 7/31/2016

1. Monthly Production 76,008 MWH
2. Productivity Factor
- a. Service Hours 308 Hours
  - b. Service Factor 41.45 %
  - c. Capacity Factor @ 280MW Pmax 36.49 %
  - d. Capacity Factor @ 302MW Pmax 33.83 %
3. Equivalent Operating Availability (EOA) 48.12 %
4. Forced Outage Rate (FOR)
- a. Combustion Turbine Generator 0.48 %
  - b. Steam Turbine Generator 0.48 %
5. Heat Rate Deviation (HRD)
- a. Fuel Cost (Not Current Market Price) 4.00 \$/mmBTU

MW Range		Average HR BTU/kW-Hr	PMOA HR BTU/kW-Hr	Deviation %	Production MWH	Cost \$
Seg. 1	296 - 302	6,850	6850	0.00%	0	\$0
Seg. 2	284 - 296	6,870	6870	0.00%	0	\$0
Seg. 3	275 - 284	6,943	6971	-0.41%	27,625	-\$3,137
Seg. 4	250 - 275	6,964	7081	-1.65%	33,913	-\$15,873
Seg. 5	225 - 250	7,025	7130	-1.47%	5,656	-\$2,367
Seg. 6	200 - 225	7,113	7315	-2.76%	2,641	-\$2,135
Seg. 7	175 - 225	7,325	7711	-5.01%	1,786	-\$2,758
Seg. 8	165 - 175	7,687	7856	-2.15%	1,549	-\$1,048
					<b>73,169</b>	<b>-\$27,318</b>

## 6. AGC Control Deviation

MW Range		High Dev MWH	Low Dev MWH	Absolute Dev MWH	Cost \$
Seg. 1	296 - 302	0	0	0	\$0
Seg. 2	284 - 296	0	0	0	\$0
Seg. 3	275 - 284	79	-61	140	\$3,888
Seg. 4	250 - 275	94	-212	305	\$8,504
Seg. 5	225 - 250	35	-19	54	\$1,528
Seg. 6	200 - 225	23	-16	39	\$1,096
Seg. 7	175 - 225	14	-22	36	\$1,052
Seg. 8	165 - 175	8	-5	14	\$416
		<b>253</b>	<b>-335</b>	<b>588</b>	<b>\$16,484</b>

## 7. Starting Reliability

Start Type	Hot Starts	Warm Starts	Cold Starts
Number of Starts	12	2	1
Start Time Benchmark (Minutes)	85	160	235
Start Time Actual (Average Minute)	96.3	158.0	176.0
Start Time Deviation (%)	13.2%	-1.3%	-25.1%
Start Fuel Benchmark PMOA (mmBTU)	1,967	5,200	5,430
Start Fuel Actual (Average mmBTU)	1,807	3,139	3,576
Fuel Deviation	-8.2%	-39.6%	-34.1%
Costs of Fuel Deviations (\$)	<b>-\$642</b>	<b>-\$8,246</b>	<b>-\$7,415</b>

**Definitions:**

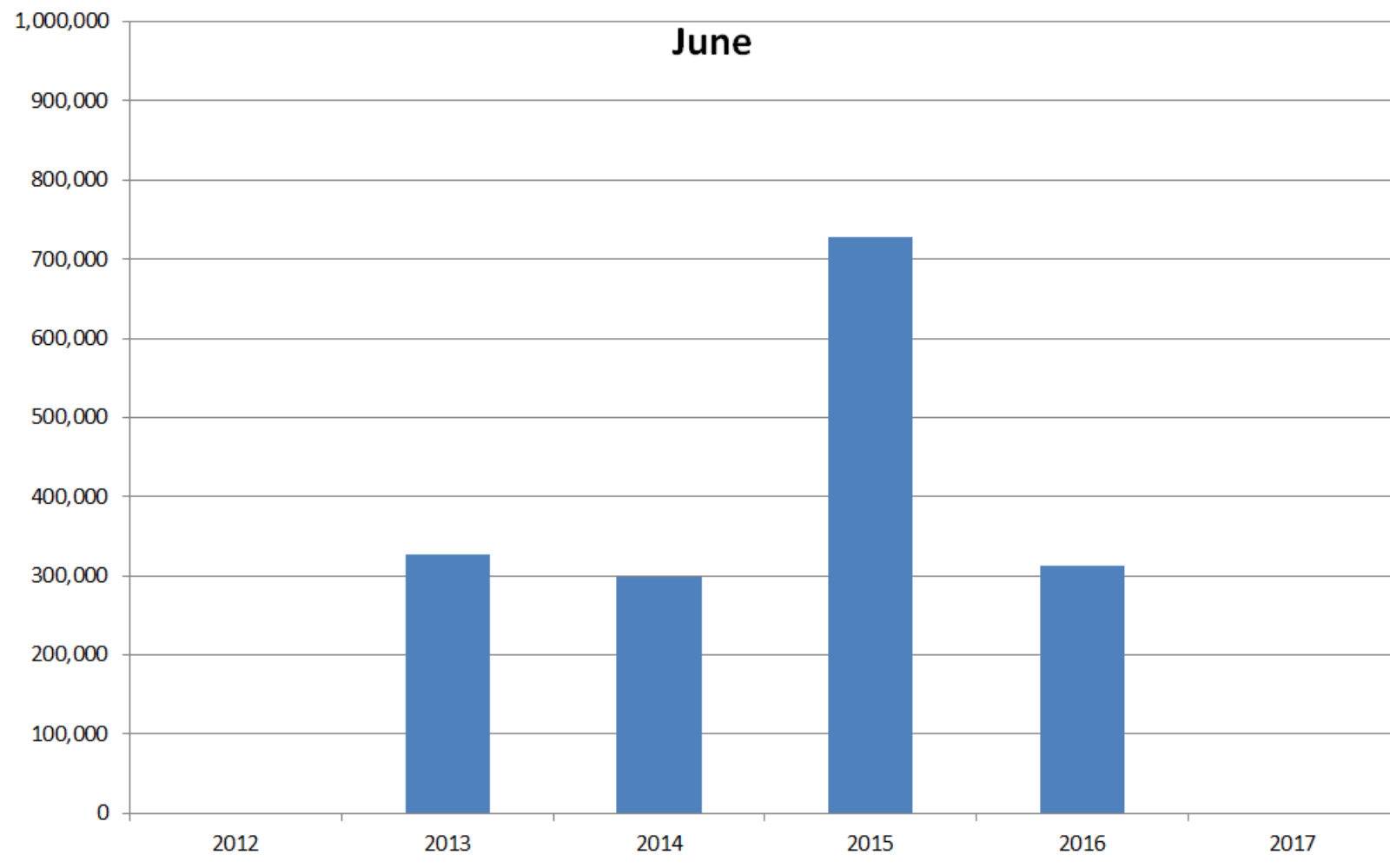
1. Monthly Production = Plant Net MWH's
2. Capacity Factor
  - a. Service Hours = In Production or in Service State
  - b. Service Factor =  $SH / PH \times 100\%$
  - c. Capacity Factor =  $Production / 302MW \times PH$
  - d. Capacity Factor =  $Production / 280MW \times PH$
3. Monthly Equivalent Availability Factor (EAF) =  $(AH - EPDH - EFDH) / PH \times 100\%$
4. Forced Outage Rate =  $(FOH / (FOH + SH)) \times 100\%$
5. Heat Rate Deviation (HRD)
  - a. Fuel Cost = Cost of Fuel in \$/mmBTU
  - b. Average Heat Rate = The Average Heat Rate for the given Range
  - c. Heat Rate Deviation =  $(Heat\ Rate\ Average - Heat\ Rate\ Expected) / Heat\ Rate\ Expected \times 100\%$
  - d. Production = The Sum of Production for the given Range
  - e. Costs of Heat Rate Deviations =  $(Average\ Heat\ Rate - Expected\ Heat\ Rate) \times Production \times Cost\ of\ Fuel$
6. AGC Deviation-
  - a. MWH's = AGC Set Point Generation - LEC Actual Generation
  - b. Cost of Deviations = Fuel Cost x Heat Rate x Generation
7. Starting Reliability
  - a. Number of Starts = Start Count for Hot, Warm, and Cold
  - b. Start Time = Average Time from 0 Fuel Flow to Pmin
  - c. Start Fuel = Average Fuel Consumption to Pmin
  - d. Cost of Fuel Deviation =  $(Actual\ Fuel\ Consumed - Expected\ Fuel) \times Cost\ of\ Fuel$



# June Asset Report

	Most Recent			Above / (below)	Percent Difference	
	Actual	Forecast	Budget	Forecast	Above / (below)	
Revenue	2,328,119	2,148,518	1,367,350	179,601	8%	
VOM	2,283,412	2,045,816	1,431,324	237,595	12%	
Fixed	1,226,139	1,075,176	824,809	150,963	14%	Outage costs picked up in June
Projects	151,310	490,000	352,851	(338,690)	-69%	
A&G	239,978	165,000	191,174	74,978	45%	
Debt	2,167,729	2,203,414	2,203,414	(35,685)	-1.62%	
Net Cost	(3,740,449)	(3,830,888)	(3,636,222)	90,440	-2%	
Net Annual Cost		(38,759,527)	(37,696,301)	(\$1,063,225)		
				Above budget by 2.82%		

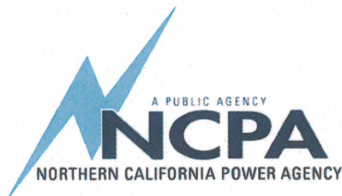
# Historical Margins





Lodi Energy Center  
Monthly Budget Analysis  
Expenditures  
Report Date: 08/02/2016

	July	August	September	October	November	December	January	February	March	April	May	June	Year	FY2016 Budget	Percent Used	Comments
VOM	3,176,314	4,311,594	4,043,608	5,613,067	2,164,031	3,506,834	6,838,667	747,598	2,574,931	1,700,125	149,246	2,283,412	37,109,427	62,690,607	59.2%	
Capacity Factor	49%	66%	65%	80%	37%	65%	94%	14%	44%	23%	2%	33%	48%	58%	82.2%	
Fuel Consumed (mmBTU, estimated)	747,890	978,039	935,044	1,181,040	545,582	948,622	1,375,224	196,223	682,831	342,990	28,045	488,562	8,450,092	10,997,634	76.8%	
Avg Fuel Cost (\$/mmBTU)	3.51	3.47	3.40	3.17	3.02	2.89	3.54	2.66	2.28	2.30	2.18	3.03	3.15	4.53	69.4%	
Power Produced (MWHr, estimated)	103,885	137,264	131,608	165,738	75,231	131,781	196,018	27,161	91,577	45,435	3,423	66,595	1,175,716	1,605,494	73.2%	
Avg Power Price (\$/MWHr)	37.27	34.97	35.72	34.27	32.46	31.99	35.08	29.34	27.11	27.98	27.00	34.95	33.64	40.64	82.8%	
Operations / Variable / LTSA	1,784	195,973	174,895	991,960	106,254	62,344	941,730	76,070	512,901	662,502	67,964	462,406	4,256,783	4,844,522	87.9%	
Fuel (estimated)	2,623,866	3,394,919	3,177,971	3,742,910	1,649,422	2,738,963	4,863,110	521,899	1,555,969	788,769	61,248	1,482,595	26,601,641	49,851,535	53.4%	
AB32 GHG Offset (estimated)	505,745	662,253	634,083	807,297	374,366	648,652	950,428	138,113	466,425	229,406	18,601	327,300	5,762,669	7,337,261	78.5%	
CA ISO Charges (estimated)	44,919	58,449	56,660	70,899	33,989	56,875	83,399	11,516	39,636	19,449	1,432	11,111	488,334	657,289	74.3%	
Routine O&M (Fixed)	622,385	812,271	831,659	825,894	669,583	1,421,200	660,648	1,154,529	718,922	1,080,376	779,791	1,226,139	10,803,397	10,217,618	105.7%	
Maintenance / Fixed	36,849	201,799	232,387	306,008	91,062	272,935	185,786	413,614	179,809	178,950	262,152	526,637	2,887,988	1,780,003	162.2%	HRSG Duct, Injection Well Cleaning, Water Tre
Administration	87,552	101,780	113,365	100,539	94,899	100,791	7,525	184,871	97,360	96,443	93,301	108,895	1,187,321	1,316,163	90.2%	
Mandatory Costs	26,519	69,918	5,785	906	10,272	5,291	5,847	5,532	20,748	22,837	8,900	8,832	191,387	235,000	81.4%	
Inventory Stock	0	0	53,287	10,320	25,021	0	22,859	40,459	0	189,284	7,481	25,809	374,520	400,000	93.6%	
Labor	365,086	316,135	321,097	299,585	330,095	330,095	330,095	330,095	330,095	482,087	303,828	453,186	4,191,479	4,381,034	95.7%	
Insurance	0	0	0	0	13,855	606,709	0	77,579	-11,469	0	0	-599	686,075	820,000	83.7%	
Power Management & Settlements	102,379	102,379	102,379	102,379	102,379	102,379	102,379	102,379	102,379	102,379	102,379	102,379	1,228,548	1,228,543	100.0%	
Other Costs	4,000	20,260	3,359	6,157	2,000	3,000	6,157	0	0	8,396	1,750	1,000	56,079	56,875	98.6%	
Projects	150,000	210,039	167,177	220,190	159,020	177,883	150,000	150,417	151,480	201,989	174,385	151,310	2,063,890	2,954,589	69.9%	
Maintenance Reserve	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	1,800,000	1,800,000	100.0%	
Operations & Maintenance Projects	0	51,810	9,402	45,728	1,621	23,728	0	0	1,480	46,601	24,385	0	204,755	371,740	55.1%	
Capital Projects	0	8,229	7,775	24,462	7,399	4,155	0	417	0	5,388	0	1,310	59,135	782,849	7.6%	
A&G	116,700	172,728	126,784	146,530	174,752	138,216	249,493	146,118	148,929	206,509	110,907	239,978	1,977,644	2,294,095	86.2%	
Administrative & General (Allocated)	102,664	156,924	111,298	125,547	153,586	120,305	234,012	127,529	132,867	171,602	96,943	204,443	1,737,720	1,905,505	91.2%	
Generation Services Shared	14,036	15,804	15,486	20,983	21,166	17,911	15,481	18,589	16,062	34,907	13,964	35,535	239,924	388,590	61.7%	
Total O&M Cost	4,065,399	5,506,632	5,169,228	6,805,681	3,167,386	5,244,133	7,898,808	2,198,662	3,594,262	3,188,999	1,214,329	3,900,839	51,954,358	78,156,909	66.5%	
Debt Service	2,203,974	2,203,974	2,203,974	2,203,974	2,203,974	2,203,974	2,203,974	2,203,974	2,203,974	2,203,974	2,203,974	2,167,729	26,411,443	26,441,024	99.9%	
Revenues	3,887,446	4,833,235	4,700,555	5,680,284	2,441,755	4,215,137	6,876,895	796,888	2,482,410	1,271,127	92,423	2,328,119	39,606,274	66,901,632	59.2%	
ISO Energy Sales (estimated)	3,871,286	4,799,627	4,700,385	5,680,284	2,441,755	4,215,137	6,876,895	796,873	2,482,330	1,271,127	92,423	2,327,619	39,555,741	65,240,921	60.6%	
Other Income	16,160	33,608	170	0	0	0	0	15	80	0	0	500	50,533	1,660,711		
Net	(\$2,381,927)	(\$2,877,371)	(\$2,672,647)	(\$3,329,371)	(\$2,929,605)	(\$3,232,970)	(\$3,225,887)	(\$3,605,749)	(\$3,315,826)	(\$4,121,846)	(\$3,325,880)	(\$3,740,449)	(\$38,759,527)	(\$37,696,301)	Above budget by 2.82%	



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# LEC Treasurer's Report

AGENDA ITEM NO.: 7

**Date:** August 8, 2016  
**To:** LEC Project Participant Committee  
**Subject:** Treasurer's Report for the Month Ended July 31, 2016

In compliance with NCPA policy and State of California Government Code Sections 53601 and 53646(b), the following monthly report is submitted for your information and acceptance.

Cash - At month end cash totaled \$42,145.

Investments - The carrying value of the LEC's investment portfolio totaled \$28,895,811 at month end. The current market value of the portfolio totaled \$28,951,235.

The overall portfolio had a combined weighted average interest rate of 0.903% with a bond equivalent yield (yield to maturity) of 0.854%. Investments with a maturity greater than one year totaled \$14,463,000. During the month \$2.2 million was invested.

Funds not required to meet annual cash flow are reinvested and separately reported as they occur.

Interest Rates - During the month, rates on 90 day T-Bills increased by 2 basis points (from 0.27% to 0.29%) and rates on one year T-Bills increased 8 basis points (from 0.45% to 0.53%).

To the best of my knowledge and belief, all securities held by LEC as of July 31, 2016 are in compliance with the Agency's investment policy. There are adequate cash flow and investment maturities to meet next month's cash requirements.

## Environmental Analysis

The Treasurer's report will not result in a direct or reasonably foreseeable indirect change in the physical environment and is therefore not a "project" for purposes of Section 21065 of the California Environmental Quality Act. No environmental review is necessary.

Respectfully submitted,

DONNA STEVENER  
Assistant General Manager/CFO  
Administrative Services/Finance

Prepared by:

SONDRA AINSWORTH  
Treasurer-Controller

Attachments

# **LODI ENERGY CENTER**

## **TREASURER'S REPORT**

**JULY 31, 2016**

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Northern California Power Agency/Lodi Energy Center  
Treasurer's Report  
Cash & Investment Balance  
July 31, 2016

	CASH	INVESTMENTS	TOTAL	PERCENT	INVESTMENTS at MARKET
<b>MANDATORY FUNDS</b>					
Debt Service Account	-	4,406,193	4,406,193	15.23%	4,404,753
Debt Service Reserve	-	11,921,103	11,921,103	41.20%	11,941,766
O & M Reserve	-	12,497,203	12,497,203	43.19%	12,533,404
	-	28,824,499	28,824,499	99.61%	28,879,923
<b>ADDITIONAL PROJECT FUNDS</b>					
GHG Cash Account	-	71,311	71,311	0.25%	71,311
Transmission Upgrade Escrow <sup>1</sup>	42,145		42,145	0.15%	
Participant Deposit Account	-	1	1	0.00%	1
	<b>\$ 42,145</b>	<b>\$ 28,895,811</b>	<b>\$ 28,937,956</b>	<b>100.00%</b>	<b>\$ 28,951,235</b>

NOTE A -Investment amounts shown at book carrying value.

<sup>1</sup> Amount held in escrow

Northern California Power Agency/Lodi Energy Center  
Treasurer's Report  
Cash Activity Summary  
July 31, 2016

	RECEIPTS			EXPENDITURES			CASH
	INTEREST		INVESTMENTS	INVESTMENTS		INTER-COMPANY/	INCREASE /
	OPS/CONSTR	(NOTE B)	(NOTE A)	OPS/CONSTR	(NOTE B)	FUND TRANSFERS	(DECREASE)
<b>MANDATORY FUNDS</b>							
Debt Service Account	\$ -	\$ 18	\$ -	\$ -	\$ (2,202,701)	\$ 2,202,683	\$ -
Debt Service Reserve	-	279	-	-	(279)	-	-
O & M Reserve	-	3,157	(1,103,157)	-	-	1,100,000	-
	-	3,454	(1,103,157)	-	(2,202,980)	3,302,683	-
<b>ADDITIONAL PROJECT FUNDS</b>							
GHG Cash Account	-	97	(97)	-	-	-	-
Transmission Upgrade Escrow <sup>1</sup>		4		-			4
Participant Deposit Account	-	-	-	-	-	-	-
							-
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ 3,555</b>	<b>\$ (1,103,254)</b>	<b>\$ -</b>	<b>\$ (2,202,980)</b>	<b>\$ 3,302,683</b>	<b>\$ 4</b>

NOTE A -Investment amounts shown at book carrying value.

NOTE B -Net of accrued interest purchased on investments.

<sup>1</sup> Amount held in escrow



Northern California Power Agency/Lodi Energy Center  
Treasurer's Report  
Investment Activity Summary  
July 31, 2016

	PURCHASED	SOLD OR MATURED	(NON-CASH) DISC/(PREM) AMORT	(NON-CASH) GAIN/(LOSS) ON SALE	INVESTMENTS TRANSFERS	INCREASE / (DECREASE)
<b>MANDATORY FUNDS</b>						
Debt Service Account	2,202,701	-	528	-	-	2,203,229
Debt Service Reserve	279	-	(50)	-	-	229
O & M Reserve	-	1,103,157	(1,510)	-	-	1,101,647
	<u>2,202,980</u>	<u>1,103,157</u>	<u>(1,032)</u>	<u>-</u>	<u>-</u>	<u>3,305,105</u>
<b>ADDITIONAL PROJECT FUNDS</b>						
GHG Cash Account		97	-	-		97
Participant Deposit Acct.		-	-	-	-	-
<b>TOTAL</b>	<u>\$ 2,202,980</u>	<u>\$ 1,103,254</u>	<u>\$ (1,032)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,305,202</u>

Less Non- Cash Activity

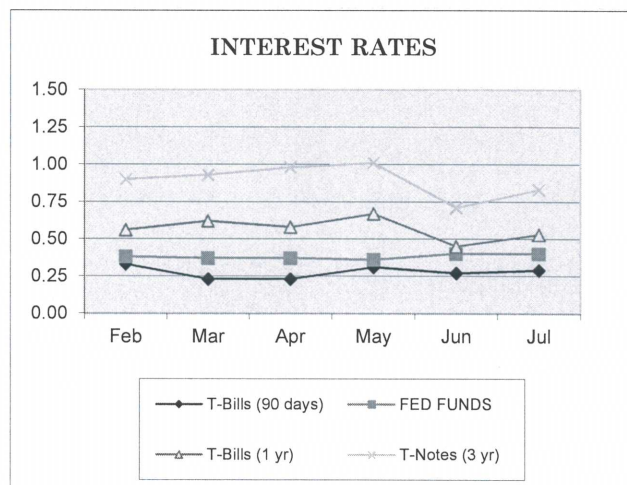
Disc/(Prem) Amortization & Gain/(Loss) on Sale	1,032
Net Change in Investment --Before Non-Cash Activity	<u>\$ 3,306,234</u>

NOTE A -Investment amounts shown at book carrying value.

**Northern California Power Agency  
Lodi Energy Center  
Interest Rate/Yield Analysis  
July 31, 2016**

	<b>WEIGHTED AVERAGE INTEREST RATE</b>	<b>BOND EQUIVALENT YIELD</b>
<b>OVERALL COMBINED</b>	<b>0.903%</b>	<b>0.854%</b>
Debt Service Account	0.355%	0.360%
Debt Service Reserve	0.942%	0.978%
O & M Reserve	1.063%	0.912%
GHG Cash Account	0.546%	0.546%

<b>KEY INTEREST RATES</b>		
	<b>CURRENT</b>	<b>PRIOR YEAR</b>
Fed Fds (Ovrnight)	0.40%	0.13%
T-Bills (90da.)	0.29%	0.06%
Agency Disc (90da.)	0.33%	0.09%
T-Bills (1yr.)	0.53%	0.33%
Agency Disc (1yr.)	0.62%	0.28%
T-Notes (3yr.)	0.83%	1.03%



**Northern California Power Agency**  
**Total Portfolio**  
**Investment Maturities Analysis**  
**July 31, 2016**

Type	0-7 Days	8-90 Days	91-180 Days	181-270 Days	271-365 Days	1-5 Years	6-10 Years	Total	Percent
US Government Agencies	\$ -	\$ -	\$4,408	\$ -	\$ 3,100	\$ 14,463	\$ -	\$ 21,971	76.15%
US Bank Trust Money Market Commercial Paper	3,394							3,394	11.76%
Investment Trusts (LAIF)	3,488							3,488	12.09%
U.S.Treasury Market Acct.									0.00%
U.S.Treasury Bill									0.00%
Certificates of Deposit		-							0.00%
Total Dollars	\$6,882	\$0	\$4,408	\$0	\$3,100	\$14,463	\$0	\$28,853	100.00%
Total Percents	23.85%	0.00%	15.28%	0.00%	10.74%	50.13%	0.00%	100.00%	

Investments are shown at Face Value, in thousands.



# **NORTHERN CALIFORNIA POWER AGENCY**

## **Detail Report Of Investments**

### **APPENDIX**

**Note:**                **This appendix has been prepared to comply with  
Government Code section 53646.**



Northern California Power Agency  
Treasurer's Report  
07/31/2016

LEC Issue#1 2010A DS Fund

Issuer	Trustee / Custodian	Stated Value	Interest Rate	Purchase Date	Purchased Price	Maturity Date	Days to Maturity	Bond* Equiv Yield	Market Value	CUSIP	Investment #	Carrying Value
US Bank Trust	USB	1,026	0.100	07/01/2013	1,026		1	0.100	1,026	SYS79003	79003	1,026
Federal Home Loan Ba	USBT	694,000	0.370	07/28/2016	693,101	12/01/2016	122	0.375	692,820	313384R68	26350	693,130
Federal National Mtg	USBT	694,000	0.340	07/11/2016	693,063	12/01/2016	122	0.345	693,056	313588R64	26342	693,200
Fund Total and Average		\$ 1,389,026	0.355		\$ 1,387,190		122	0.360	\$ 1,386,902			\$ 1,387,356

LEC Issue #1 2010B DS Fund

US Bank Trust	USB	1,117	0.100	07/01/2013	1,117		1	0.100	1,117	SYS79004	79004	1,117
Federal Home Loan Ba	USBT	726,000	0.370	07/28/2016	725,060	12/01/2016	122	0.375	724,766	313384R68	26351	725,090
Federal National Mtg	USBT	727,000	0.339	07/11/2016	726,018	12/01/2016	122	0.345	726,011	313588R64	26343	726,162
Fund Total and Average		\$ 1,454,117	0.355		\$ 1,452,195		122	0.360	\$ 1,451,894			\$ 1,452,369

LEC Issue #2 2010A DS Fund

US Bank Trust	USB	614	0.100	07/01/2013	614		1	0.100	614	SYS79011	79011	614
Federal Home Loan Ba	USBT	435,000	0.370	07/28/2016	434,437	12/01/2016	122	0.375	434,261	313384R68	26352	434,455
Federal National Mtg	USBT	434,000	0.340	07/11/2016	433,414	12/01/2016	122	0.345	433,410	313588R64	26344	433,500
Fund Total and Average		\$ 869,614	0.355		\$ 868,465		122	0.360	\$ 868,285			\$ 868,569

LEC Issue #2 2010B DS Fund

US Bank Trust	USB	740	0.100	07/01/2013	740		1	0.100	740	SYS79012	79012	740
Federal Home Loan Ba	USBT	349,000	0.370	07/28/2016	348,548	12/01/2016	122	0.375	348,407	313384R68	26353	348,562
Federal National Mtg	USBT	349,000	0.340	07/11/2016	348,529	12/01/2016	122	0.345	348,525	313588R64	26345	348,598
Fund Total and Average		\$ 698,740	0.355		\$ 697,817		122	0.360	\$ 697,672			\$ 697,900
GRAND TOTALS:		\$ 4,411,497	0.355		\$ 4,405,667		122	0.360	\$ 4,404,753			\$ 4,406,194

\*Bond Equivalent Yield to Maturity is shown based on a 365 day year to provide a basis for comparison between all types. Investments with less than 6 months to maturity use an approximate method, all others use an exact method.

Current Market Value is based on prices from Trustee/ Custodian Statements or bid prices from the Wall Street Journal as of 07/31/2016



Northern California Power Agency  
Treasurer's Report  
07/31/2016

LEC Issue #1 2010 DSR Fund

Issuer	Trustee / Custodian	Stated Value	Interest Rate	Purchase Date	Purchased Price	Maturity Date	Days to Maturity	Bond* Equiv Yield	Market Value	CUSIP	Investment #	Carrying Value
US Bank Trust	USB	40,826	0.100	07/01/2013	40,826		1	0.100	40,826	SYS79005	79005	40,826
Federal National Mtg	USB	4,170,000	0.875	05/30/2014	4,171,960	08/28/2017	392	0.977	4,179,758	3135GOMZ3	26136	4,170,649
Federal Farm Credit	USB	4,360,000	1.660	06/08/2016	4,360,000	05/25/2021	1,758	1.659	4,371,554	3133EGBZ7	26337	4,360,000
Fund Total and Average		\$ 8,570,826	1.271		\$ 8,572,786		1085	1.321	\$ 8,592,138			\$ 8,571,475

LEC Iss#1 2010B BABS Subs Resv

US Bank Trust	USB	2,262,462	0.100	07/01/2013	2,262,462		1	0.100	2,262,462	SYS79006	79006	2,262,462
Fund Total and Average		\$ 2,262,462	0.100		\$ 2,262,462		1	0.100	\$ 2,262,462			\$ 2,262,462

LEC Issue #2 2010B DSR BABS

US Bank Trust	USB	1,087,166	0.100	07/01/2013	1,087,166		1	0.100	1,087,166	SYS79013	79013	1,087,166
Fund Total and Average		\$ 1,087,166	0.100		\$ 1,087,166		1	0.100	\$ 1,087,166			\$ 1,087,166
GRAND TOTALS:		\$ 11,920,454	0.942		\$ 11,922,414		780	0.978	\$ 11,941,766.			\$ 11,921,103

\*Bond Equivalent Yield to Maturity is shown based on a 365 day year to provide a basis for comparison between all types. Investments with less than 6 months to maturity use an approximate method, all others use an exact method.

Current Market Value is based on prices from Trustee/ Custodian Statements or bid prices from the Wall Street Journal as of 07/31/2016  
Investment # 26337 - FFCEB - Callable on 5/25/17, then any time.



Northern California Power Agency  
Treasurer's Report

07/31/2016

LEC O & M Reserve

Issuer	Trustee / Custodian	Stated Value	Interest Rate	Purchase Date	Purchased Price	Maturity Date	Days to Maturity	Bond* Equiv Yield	Market Value	CUSIP	Investment #	Carrying Value
Local Agency Investm		3,416,962	0.545	07/01/2013	3,416,962		1	0.545	3,416,962	SYS70047	70047	3,416,962
Union Bank of Califo	UBOC	0	0.002	07/18/2013	0		1	0.002	0	SYS70041	70041	0
Federal Home Loan Ba	UBOC	3,100,000	0.625	06/27/2016	3,099,380	06/27/2017	330	0.645	3,103,317	3130A8LC5	26338	3,099,439
Federal National Mtg	UBOC	2,933,000	1.875	08/28/2015	2,998,142	02/19/2019	932	1.220	3,010,725	3135G0ZA4	26248	2,980,802
Federal National Mtg	UBOC	3,000,000	1.300	06/30/2016	3,000,000	06/30/2020	1,429	1.300	3,002,400	3136G3UJ2	26341	3,000,000
Fund Total and Average		\$ 12,449,962	1.063		\$ 12,514,484		647	0.912	\$ 12,533,404			\$ 12,497,203
GRAND TOTALS:		\$ 12,449,962	1.063		\$ 12,514,484		647	0.912	\$ 12,533,404			\$ 12,497,203

\*Bond Equivalent Yield to Maturity is shown based on a 365 day year to provide a basis for comparison between all types. Investments with less than 6 months to maturity use an approximate method, all others use an exact method.

Current Market Value is based on prices from Trustee/ Custodian Statements or bid prices from the Wall Street Journal as of 07/31/2016  
Investment # 26341 - FNMA - Callable on 6/30/17 only.





Northern California Power Agency  
Treasurer's Report

07/31/2016

LEC GHG Auction Acct

Issuer	Trustee / Custodian	Stated Value	Interest Rate	Purchase Date	Purchased Price	Maturity Date	Days to Maturity	Bond* Equiv Yield	Market Value	CUSIP	Investment #	Carrying Value
Local Agency Investm		71,311	0.545	07/01/2013	71,311		1	0.545	71,311	SYS70046	70046	71,311
Fund Total and Average		\$ 71,311	0.546		\$ 71,311		1	0.546	\$ 71,311			\$ 71,311
GRAND TOTALS:		\$ 71,311	0.546		\$ 71,311		1	0.546	\$ 71,311.			\$ 71,311

\*Bond Equivalent Yield to Maturity is shown based on a 365 day year to provide a basis for comparison between all types. Investments with less than 6 months to maturity use an approximate method, all others use an exact method.

Current Market Value is based on prices from Trustee/ Custodian Statements or bid prices from the Wall Street Journal as of 07/31/2016



Northern California Power Agency  
Treasurer's Report

07/31/2016

LEC Construction Revolving

Issuer	Trustee / Custodian	Stated Value	Interest Rate	Purchase Date	Purchased Price	Maturity Date	Days to Maturity	Bond* Equiv Yield	Market Value	CUSIP	Investment #	Carrying Value
Local Agency Investm		1	0.254	07/01/2013	1	1	1	0.254	1	SYS70040	70040	1
Fund Total and Average		\$ 1	0.254		\$ 1	1	1	0.254	\$ 1	1		\$ 1
GRAND TOTALS:		\$ 1	0.254		\$ 1	1	1	0.254	\$ 1	1.		\$ 1

\*Bond Equivalent Yield to Maturity is shown based on a 365 day year to provide a basis for comparison between all types. Investments with less than 6 months to maturity use an approximate method, all others use an exact method.  
Current Market Value is based on prices from Trustee/ Custodian Statements or bid prices from the Wall Street Journal as of 07/31/2016



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# LEC Financial Reports

AGENDA ITEM NO: 8

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**Date:** August 8, 2016

**Subject:** July 31, 2016 Financial Reports (Unaudited)

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**NORTHERN CALIFORNIA POWER AGENCY  
LODI ENERGY CENTER  
STATEMENTS OF NET POSITION  
UNAUDITED**

	July	
	2016	2015
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 71,214	\$ 71,009
Accounts receivable		
Others	-	675
Interest receivable	23,728	16,586
Inventory and supplies - at average cost	1,848,960	1,474,440
Prepaid insurance	132,381	253,836
Due from (to) Agency, net	14,672,896	19,040,546
<b>TOTAL CURRENT ASSETS</b>	<b>16,749,179</b>	<b>20,857,092</b>
<b>RESTRICTED ASSETS</b>		
Cash and cash equivalents	15,007,595	13,975,608
Investments	13,856,629	14,456,322
Interest receivable	20,096	27,881
<b>TOTAL RESTRICTED ASSETS</b>	<b>28,884,320</b>	<b>28,459,811</b>
<b>ELECTRIC PLANT</b>		
Electric plant in service	423,459,198	423,409,539
Less: accumulated depreciation	(53,551,261)	(38,950,307)
	369,907,937	384,459,232
Construction work-in-progress	102,031	43,623
<b>TOTAL ELECTRIC PLANT</b>	<b>370,009,968</b>	<b>384,502,855</b>
<b>OTHER ASSETS</b>		
Regulatory assets	19,157,829	16,756,357
<b>TOTAL OTHER ASSETS</b>	<b>19,157,829</b>	<b>16,756,357</b>
<b>TOTAL ASSETS</b>	<b>\$ 434,801,296</b>	<b>\$ 450,576,115</b>



**NORTHERN CALIFORNIA POWER AGENCY  
LODI ENERGY CENTER  
STATEMENTS OF NET POSITION  
UNAUDITED**

	July	
	2016	2015
<b>LIABILITIES &amp; NET POSITION</b>		
<b>CURRENT LIABILITIES</b>		
Accounts and retentions payable	\$ 1,899,744	\$ 2,622,868
Operating reserves	11,520,329	13,327,383
Current portion of long-term debt	9,950,000	9,480,000
Accrued interest payable	2,739,494	2,824,711
<b>TOTAL CURRENT LIABILITIES</b>	<b>26,109,567</b>	<b>28,254,962</b>
<b>NON-CURRENT LIABILITIES</b>		
Operating reserves and other deposits	1,715,380	5,491,035
Long-term debt, net	351,748,682	362,374,248
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>353,464,062</b>	<b>367,865,283</b>
<b>TOTAL LIABILITIES</b>	<b>379,573,629</b>	<b>396,120,245</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Regulatory credits	43,447,775	44,247,223
<b>NET POSITION</b>		
Invested in capital assets, net of related debt	(4,095,536)	(3,035,794)
Restricted	12,546,322	8,337,600
Unrestricted	3,329,106	4,906,841
<b>TOTAL NET POSITION</b>	<b>11,779,892</b>	<b>10,208,647</b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 434,801,296</b>	<b>\$ 450,576,115</b>

**NORTHERN CALIFORNIA POWER AGENCY  
LODI ENERGY CENTER  
STATEMENT OF REVENUES, EXPENSES  
& CHANGES IN NET POSITION  
UNAUDITED**

	Month Ended July	
	2016	2015
<b>SALES FOR RESALE</b>		
Participants	\$ 4,319,584	\$ 6,975,560
Other	5,617,959	4,264,191
<b>TOTAL SALES FOR RESALE</b>	<b>9,937,543</b>	<b>11,239,751</b>
<b>OPERATING EXPENSES</b>		
Operations	2,139,668	2,671,186
Depreciation	1,216,837	1,216,694
Purchased power	286,400	284,738
Maintenance	243,066	239,168
Administrative and general	397,377	490,340
Transmission	46,347	45,918
Intercompany (sales) purchases	-	14,036
<b>TOTAL OPERATING EXPENSES</b>	<b>4,329,695</b>	<b>4,962,080</b>
<b>NET OPERATING REVENUES</b>	<b>5,607,848</b>	<b>6,277,671</b>
<b>OTHER REVENUES (EXPENSES)</b>		
Interest expense	(1,326,157)	(1,353,079)
Interest income	(59,161)	25,496
Other	4,591,545	360,926
<b>TOTAL OTHER REVENUES (EXPENSES)</b>	<b>3,206,227</b>	<b>(966,657)</b>
<b>FUTURE RECOVERABLE AMOUNTS</b>	<b>(4)</b>	<b>365,642</b>
<b>INCREASE IN NET POSITION</b>	<b>8,814,071</b>	<b>5,676,656</b>
<b>NET POSITION</b>		
Beginning of year	2,965,821	4,531,991
End of period	<b>\$ 11,779,892</b>	<b>\$ 10,208,647</b>

**Lodi Energy Center  
FY 2017 Operating Costs  
As of July 31, 2016**

	Annual Budget	Actual	Remaining	YTD % Remaining	Notes
<b>Routine O&amp;M Costs</b>					
Variable	\$ 5,106,876	\$ 3,746	\$ 5,103,130	100%	
Fixed	3,250,596	141,434	3,109,162	96%	
Administration	226,663	8,597	218,066	96%	
Mandatory Costs	291,357	33,146	258,211	89%	
Inventory Stock	400,000	-	400,000	100%	
Routine O&M Costs without Labor	9,275,492	186,923	9,088,569	98%	
Labor	4,765,279	359,440	4,405,839	92%	
<b>Total Routine O&amp;M Cost</b>	<b>14,040,771</b>	<b>546,363</b>	<b>13,494,408</b>	<b>96%</b>	
<b>Other Costs</b>					
Fuel	44,100,578	1,714,295	42,386,283	96%	
CA ISO Charges	672,131	46,347	625,784	93%	
CA ISO Purchased Energy	1,702,141	286,400	1,415,741	83%	
Debt Service	26,437,261	2,199,759	24,237,502	92%	
Insurance	770,000	72,853	697,147	91%	
Other Costs	56,906	250	56,656	100%	
Generation Services Shared	343,414	28,600	314,814	92%	
Administrative & General (Allocated)	2,063,039	171,900	1,891,139	92%	
Power Management Allocated Costs	1,327,566	110,631	1,216,935	92%	
<b>Total O&amp;M Cost</b>	<b>91,513,807</b>	<b>5,177,398</b>	<b>86,336,409</b>	<b>94%</b>	
<b>Projects</b>					
Operations & Maintenance	30,000	3,968	26,032	87%	
Capital	1,200,000	-	1,200,000	100%	
Maintenance Reserve	1,575,000	131,250	1,443,750	92%	
<b>Total Projects</b>	<b>2,805,000</b>	<b>135,218</b>	<b>2,669,782</b>	<b>95%</b>	
<b>Annual Cost</b>	<b>94,318,807</b>	<b>5,312,616</b>	<b>89,006,191</b>	<b>94%</b>	
<b>Less: Third Party Revenue</b>					
Interest Income	44,489	-	44,489	100%	
ISO Energy Sales	68,846,223	5,485,333	63,360,890	92%	
Ancillary Services Sales	1,302,829	132,626	1,170,203	90%	
Other Income	3,130	4,359,911	(4,356,781)	0%	
	<b>70,196,671</b>	<b>9,977,870</b>	<b>60,218,801</b>	<b>86%</b>	
<b>Net Annual Cost to Participants</b>	<b>\$ 24,122,136</b>	<b>\$ (4,665,254)</b>	<b>\$ 28,787,390</b>	<b>119%</b>	

<b>Total Variable Costs</b>	51,581,726	1,764,388	49,817,338
<b>Total Fixed Costs</b>	42,737,081	3,548,228	39,188,853
	<b>\$ 94,318,807</b>	<b>\$ 5,312,616</b>	<b>\$ 89,006,191</b>

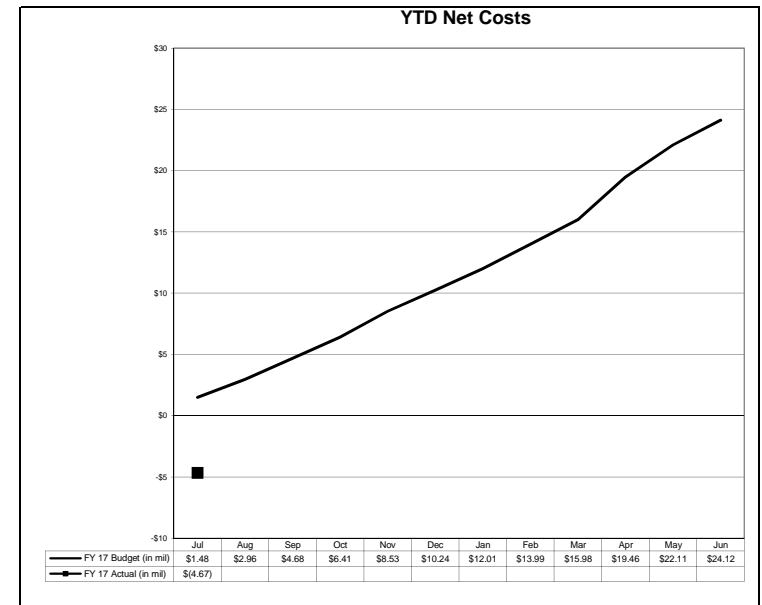
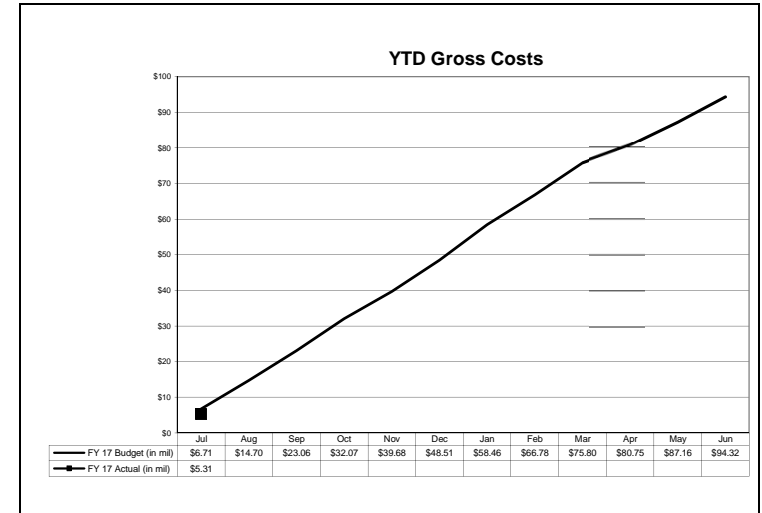
<b>Net Cumulative Generation (MWh)</b>	1,655,765	76,021
<b>Total O&amp;M Cost Per MWh</b>	\$ 55.27	\$ 68.10
<b>Net Annual Cost Per MWh</b>	\$ 14.57	\$ (61.37)

**Footnotes:**

**General** - July Generation Services and Administrative & General costs have been estimated.

**A** - Higher than budgeted costs due to CA ISO real time settlement resulting in additional market purchases and Participants purchasing energy from CA ISO using LEC as the SC.

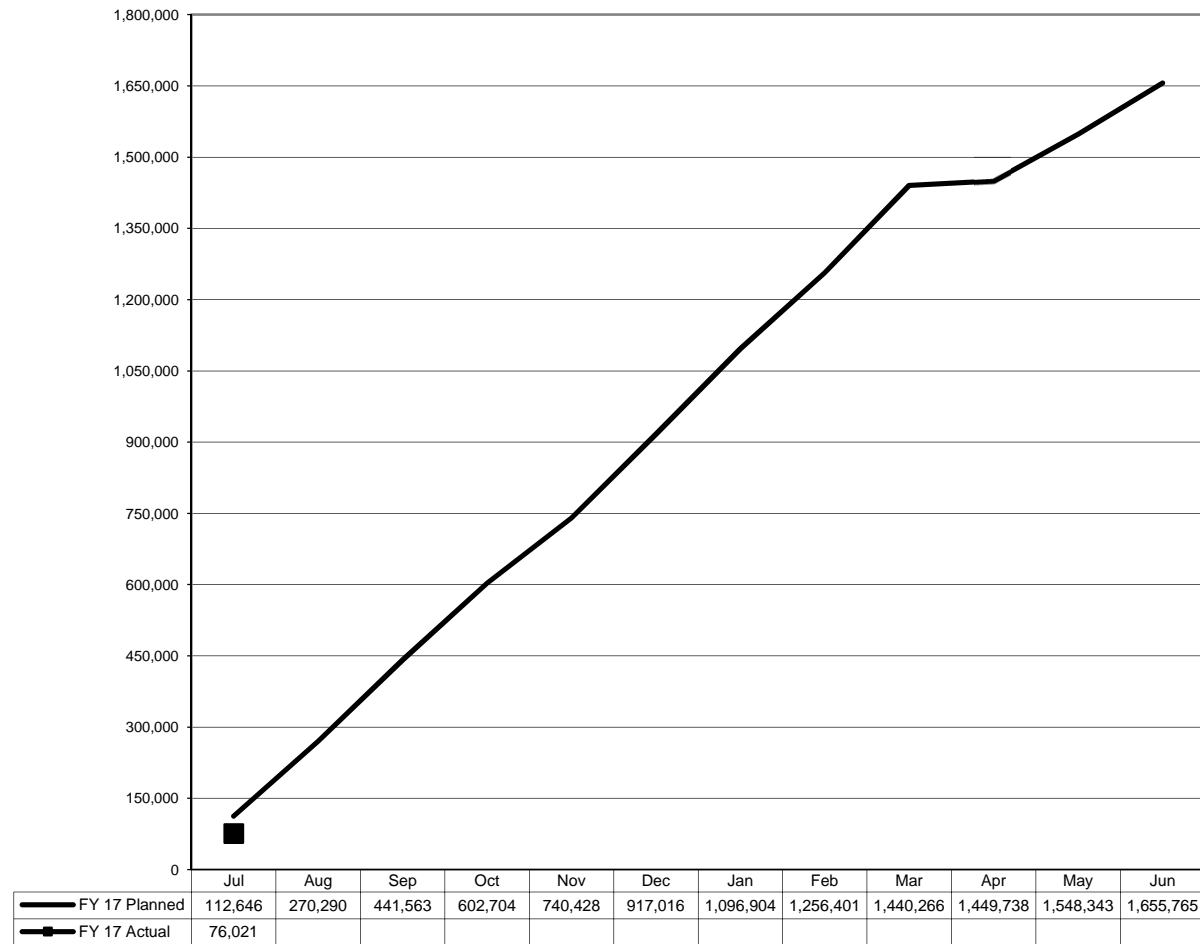
**B** - Other Income includes PG&E mandated CPUC refund.



**Annual Budget  
LEC Generation Analysis  
Planned vs. Actual  
FY 2017**

In MWh

## Lodi Energy Center





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# LEC GHG Reports

AGENDA ITEM NO.: 9

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**Date:** August 8, 2016

**Subject:** GHG Reports (excerpted from monthly ARB)

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2013 NCPA All Resources Bill LEC GHG Compliance Instrument Detail Report  
for the Lodi Energy Center

	Actual													Compliance Year 2013 Total
IDENTIFIER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	
Energy (MWh)	0	82,787	101,925	128,167	134,284	32,545	80,153	122,492	94,615	92,091	98,739	105,078	138,068	1,210,944
Gas Schedule (MMBtu)	0	593,484	723,038	894,657	952,529	229,724	579,650	870,331	673,965	650,250	692,396	738,008	965,292	8,563,324
Emissions Factor (MT/MMBtu)	0	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	
HVAC/Water Heater (MT)													86.000	
Monthly MT Emissions (MT)	0	32,027	39,019	48,280	51,403	12,397	31,281	46,967	36,371	35,091	37,365	39,827	52,178	462,206
Cumulative MT Obligation (MT)	0	32,027	71,046	119,326	170,730	183,127	214,407	261,375	297,745	332,836	370,201	410,028	462,206	462,206
Compliance Instrument Participant Transfers (to LEC)														
Auction Allowances	92,695	5,350	0	13,644	105,000	50,632	30,628	1,600	102,200	12,594	0	0	46,290	460,633
Secondary Market Allowances	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Reserve Sale Allowances	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Offsets	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Compliance Instrument Participant Transfers (MT)	92,695	5,350	0	13,644	105,000	50,632	30,628	1,600	102,200	12,594	0	0	46,290	460,633
NCPA Compliance Instrument Purchases (for LEC)														
Auction Purchases	47,000	0	0	0	0	0	0	0	0	0	0	0	0	47,000
Secondary Market Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Reserve Sale Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Offset Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total NCPA Compliance Instrument Purchases (MT)	47,000	0	0	0	0	0	0	0	0	0	0	0	0	47,000
Compliance Instruments Surrendered to CARR (MT)	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Monthly Activity (MT)	139,695	5,350	0	13,644	105,000	50,632	30,628	1,600	102,200	12,594	0	0	46,290	507,633
Cumulative MT Account Balance [MTA] (MT)	139,695	145,045	145,045	158,689	263,689	314,321	344,949	346,549	448,749	461,343	461,343	461,343	507,633	507,633
MTA Shortfall (MT)	(139,695)	(113,018)	(73,999)	(39,363)	(92,959)	(131,194)	(130,542)	(85,174)	(151,004)	(128,507)	(91,142)	(51,315)	(45,427)	(45,427)

	2014 NCPA All Resources Bill LEC GHG Compliance Instrument Detail Report for the Lodi Energy Center												
	Actual												Compliance Year 2014
IDENTIFIER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	Total
Energy (MWh)	136,604	156,089	120,489	55,378	71,210	51,037	118,473	69,006	178,831	197,715	51,636	106,338	1,312,806
Gas Schedule (MMBtu)	951,700	1,092,730	858,805	391,272	512,068	371,695	836,762	496,327	1,251,547	1,371,546	372,826	759,691	9,266,969
Emissions Factor (MT/MMBtu)	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	
HVAC/Water Heater (MT)												173,000	
Monthly MT Emissions (MT)	51,358	58,969	46,345	21,115	27,634	20,059	45,156	26,784	67,540	74,015	20,120	41,170	500,265
Cumulative MT Obligation (MT)	513,564	572,533	618,879	639,994	667,628	687,686	732,842	759,626	827,166	901,181	782,385	823,555	823,555
Compliance Instrument Participant Transfers (to LEC)													
Auction Allowances	102,347	50,000	48,066	25,000	1,290	138,448	0	0	13,586	50,520	100,350	350	529,957
Secondary Market Allowances	0	0	0	0	0	0	0	0	0	0	0	0	0
Reserve Sale Allowances	0	0	0	0	0	0	0	0	0	0	0	0	0
Offsets	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Compliance Instrument Participant Transfers (MT)	102,347	50,000	48,066	25,000	1,290	138,448	0	0	13,586	50,520	100,350	350	529,957
NCPA Compliance Instrument Purchases (for LEC)													
Auction Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0
Secondary Market Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0
Reserve Sale Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0
Offset Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0
Total NCPA Compliance Instrument Purchases (MT)	0	0	0	0	0	0	0	0	0	0	0	0	0
Compliance Instruments Surrendered to CARB (MT)	0	0	0	0	0	0	0	0	0	0	138,916	0	138,916
Total Monthly Activity (MT)	102,347	50,000	48,066	25,000	1,290	138,448	0	0	13,586	50,520	100,350	350	529,957
Cumulative MT Account Balance [MTA] (MT)	609,980	659,980	708,046	733,046	734,336	872,784	872,784	872,784	886,370	936,890	898,324	898,674	898,674
MTA Shortfall (MT)	(96,416)	(87,447)	(89,167)	(93,052)	(66,708)	(185,098)	(139,942)	(113,158)	(59,204)	(35,709)	(115,939)	(75,119)	(75,119)

	2015 NCPA All Resources Bill LEC GHG Compliance Instrument Detail Report for the Lodi Energy Center												
	Actual												Compliance Year 2015
IDENTIFIER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	Total
Energy (MWh)	196,019	151,600	184,507	181,244	91,067	142,275	103,883	137,266	131,608	165,737	75,231	131,779	1,692,216
Gas Schedule (MMBtu)	1,368,474	1,073,330	1,299,294	1,269,481	646,027	1,009,450	740,553	971,283	927,730	1,171,129	541,136	940,340	11,958,227
Emissions Factor (MT/MMBtu)	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	
HVAC/Water Heater (MT)													
Monthly MT Emissions (MT)	73,850	57,922	70,116	68,508	34,863	54,475	39,964	52,415	50,065	63,200	29,202	50,745	645,326
Cumulative MT Obligation (MT)	897,404	955,327	1,025,443	1,093,951	1,128,814	1,183,288	1,223,252	1,275,668	1,325,733	1,388,933	592,071	642,816	642,816
Compliance Instrument Participant Transfers (to LEC)													
Auction Allowances	41,342	250	250,100	15,000	86,000	107,327	104,000	0	0	58,201	375	200	662,795
Secondary Market Allowances	0	0	0	0	0	0	0	0	0	0	0	0	0
Reserve Sale Allowances	0	0	0	0	0	0	0	0	0	0	0	0	0
Offsets	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Compliance Instrument Participant Transfers (MT)	41,342	250	250,100	15,000	86,000	107,327	104,000	0	0	58,201	375	200	662,795
NCPA Compliance Instrument Purchases (for LEC)													
Auction Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0
Secondary Market Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0
Reserve Sale Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0
Offset Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0
Total NCPA Compliance Instrument Purchases (MT)	0	0	0	0	0	0	0	0	0	0	0	0	0
Compliance Instruments Surrendered to CARB (MT)	0	0	0	0	0	0	0	0	0	0	826,064	0	826,064
Total Monthly Activity (MT)	41,342	250	250,100	15,000	86,000	107,327	104,000	0	0	58,201	375	200	662,795
Cumulative MT Account Balance [MTA] (MT)	940,016	940,266	1,190,366	1,205,366	1,291,366	1,398,693	1,502,693	1,502,693	1,502,693	1,560,894	735,205	735,405	735,405
MTA Shortfall (MT)	(42,612)	15,061	(164,923)	(111,415)	(162,552)	(215,405)	(279,441)	(227,025)	(176,960)	(171,961)	(143,134)	(92,589)	(92,589)



	2016 NCPA All Resources Bill LEC GHG Compliance Instrument Detail Report for the Lodi Energy Center															
	Actual						Estimated						Compliance Year 2016	Cumulative Totals		
IDENTIFIER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	Total	Total	Charge Code	Source
Energy (MWh)	97,230	27,160	91,578	45,437	3,423	66,596	117,450	117,762	125,569	147,191	100,989	167,038	1,107,424	5,323,390		Forecast/Meter
Gas Schedule (MMBtu)	695,120	194,179	678,033	339,504	27,754	485,792	845,641	847,883	904,099	1,059,774	727,123	1,202,676	8,007,578	37,796,098		Forecast/Meter
Emissions Factor (MT/MMBtu)	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054				MARS
HVAC/Water Heater (MT)																
Monthly MT Emissions (MT)	37,512	10,479	36,590	18,321	1,498	26,216	45,635	45,756	48,790	57,191	39,239	64,902	432,129	2,039,925		derived
Cumulative MT Obligation (MT)	680,329	690,807	727,398	745,719	747,217	773,432	819,067	864,823	913,613	970,804	1,010,043	1,074,945	1,074,945	1,074,945		derived
Compliance Instrument Participant Transfers (to LEC)																
Auction Allowances	211,481	0	2,500	31,000	0	41,000	524	0	0	0	0	0	286,505	1,939,890		CITSS
Secondary Market Allowances	0	0	0	0	0	0	0	0	0	0	0	0	0	0		CITSS
Reserve Sale Allowances	0	0	0	0	0	0	0	0	0	0	0	0	0	0		CITSS
Offsets	0	0	0	0	0	0	0	0	0	0	0	0	0	0		CITSS
Total Compliance Instrument Participant Transfers (MT)	211,481	0	2,500	31,000	0	41,000	524	0	0	0	0	0	286,505	1,939,890		
NCPA Compliance Instrument Purchases (for LEC)																
Auction Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0	47,000		CITSS
Secondary Market Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0	0		CITSS
Reserve Sale Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0	0		CITSS
Offset Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0	0		CITSS
Total NCPA Compliance Instrument Purchases (MT)	0	0	0	0	0	0	0	0	0	0	0	0	0	47,000		
Compliance Instruments Surrendered to CARB (MT)	0	0	0	0	0	0	0	0	0	0	0	0	0	964,980		CITSS
Total Monthly Activity (MT)	211,481	0	2,500	31,000	0	41,000	524	0	0	0	0	0	286,505	1,986,890		derived
Cumulative MT Account Balance [MTA] (MT)	946,886	946,886	944,386	913,386	913,386	872,386	871,862	871,862	871,862	871,862	871,862	871,862	871,862	871,862		derived
MTA Shortfall (MT)	(266,557)	(256,079)	(216,988)	(167,667)	(166,169)	(98,954)	(52,795)	(7,039)	41,751	98,942	138,181	203,083	203,083	203,083	MTA SHORTFALL	derived

Forecast has been updated through December 2016

NCPA All Resources Bill LEC GHG Obligation Detail Report (Cumulative) August 2016																
IDENTIFIER	AZUSA	BART	BIGGS	CDWR	GRI	HEA	LOD	LOM	MID	PLU	PWRPA	SNCL	UKI	TOTAL	Charge Code	Source
Allocation Percentages																
Generation Entitlement Share %	2.7857%	6.6000%	0.2679%	33.5000%	1.9643%	1.6428%	9.5000%	2.0357%	10.7143%	0.7857%	2.6679%	25.7500%	1.7857%	100%		MARS
Obligation Accounts																
Current MT Compliance Obligation (MTO) Balance (MT)	24,154	57,226	2,323	290,470	17,032	14,245	81,382	17,602	92,901	6,811	23,132	223,272	17,964	868,514		derived
Current MT Compliance Instrument Account (MTA) Balance (MT)	29,969	70,754	3,643	333,572	24,694	20,383	112,691	32,078	114,878	7,182	23,133	224,215	22,990	1,020,182		derived
MTA Shortfall (MT)	(5,815)	(13,527)	(1,320)	(43,103)	(7,662)	(6,138)	(31,309)	(14,476)	(21,977)	(370)	(1)	(943)	(5,026)	(151,668)	MTA SHORTFALL	Derived
Monthly GHG Price \$/MT	12.71	12.71	12.71	12.71	12.71	12.71	12.71	12.71	12.71	12.71	12.71	12.71	12.71	12.71	MTA SHORTFALL	ICE Index
GHG Minimum Cash Compliance Obligation (\$)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	MTA SHORTFALL	Derived
Current Month CCA Balance (\$)*	60,991	0	143	0	1,103	4,780	755	0	0	0	0	0	2,652	70,424	CCA BALANCE	Accounting
Net GHG Obligation (\$)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	NET GHG OBLIG	Derived

\* The Current Month CCA Balance (\$) consists of the current cash balance plus any outstanding balance of Net GHG Obligation (\$) billed but not yet received.

**NORTHERN CALIFORNIA POWER AGENCY  
CALENDAR YEAR 2017  
PLANNED MAINTENANCE OUTAGE SCHEDULE**

Facility	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Collierville Unit 1										14-27		
Collierville Unit 2										14-15	6-17	
Spicer Unit 1									11-14			
Spicer Unit 2									18-21			
Spicer Unit 3									25-28			
CT1 Alameda Project	9-27											
CT1 Lodi Project			6-17									
CT2 STIG Project					1-14							
Lodi Energy Center					1-28							
Geothermal Plant 1 Unit 1			20-22									
Geothermal Plant 1 Unit 2			20-22									
Geothermal Plant 2 Unit 4				17-26								

Proposed 7-6-2016



## Lodi Energy Center Project Participant Committee

### Staff Report

AGENDA ITEM NO.: 11

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**Date:** August 3, 2016  
**To:** Lodi Energy Center Project Participant Committee  
**Subject:** Approval of Updated Lodi Energy Center (LEC) Project Management and Operations Agreement Schedule 6.00 – Contact List

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#### Proposal

Approval of revised Project Management and Operations Agreement (“PMOA”) Schedule 6.00 to reflect change made for the City of Lompoc.

#### Background

NCPA and the LEC Project Participants executed the LEC PMOA, which became effective on August 1, 2010. The PMOA contains multiple Schedules, which provide procedures and protocols, and guidelines regarding Project operations. Pursuant to the PMOA, Schedules may be revised, deleted or added from time to time based on then existing operating or market conditions, and subject to the approval of the Project Participant Committee (PPC), and with regard to certain Schedules, approval additionally by the NCPA Commission when such Schedules “...could be reasonably viewed as having an impact on other NCPA projects.” (PMOA, Article 10).

Staff is recommending changes to PMOA Schedule 6.00, “Contact List” which provides the contact information for each of the Project Participants. Schedule 6.00 does not require approval by the NCPA Commission.

#### Fiscal Impact

No significant costs will be incurred to implement the change to the PMOA Schedule 6.00 and funds are available in the Project Budget to support the work associated with this update.

#### Environmental Analysis

This activity would not result in a direct or reasonably foreseeable indirect change in the physical environment and is therefore not a “project” for purposes of Section 21065 the California Environmental Quality Act. No environmental review is necessary.

#### Recommendation

NCPA staff recommends that the PPC approve the revised PMOA Schedule 6.00, dated 8-8-2016 for reference.

Prepared by:

/s/

KEN SPEER  
Assistant General Manager Generation Services

Attachments: (1): PMOA Schedule 6.00 Contact List dated 8-8-2016

# Agreement Schedule 6.00

## Contact List

### Northern California Power Agency

Northern California Power Agency  
Attn: Michael DeBortoli, Lodi Energy Center Manager  
651 Commerce Drive  
Roseville, California, 95678  
Telephone: (209) 210-5000  
Facsimile: (209) 333-5215  
Email: [michael.debortoli@ncpa.com](mailto:michael.debortoli@ncpa.com)

With copies to:

Northern California Power Agency  
Attn: Ken Speer, Assistant General Manager – Generation Services  
651 Commerce Drive  
Roseville, California, 95678  
Telephone: (916) 781-4201  
Facsimile: (916) 783-7693  
Email: [ken.speer@ncpa.com](mailto:ken.speer@ncpa.com)

Northern California Power Agency  
Attn: David Dockham, Assistant General Manager – Power Management  
651 Commerce Drive  
Roseville, California, 95678  
Telephone: (916) 781-4256  
Facsimile: (916) 783-4252  
Email: [dave.dockham@ncpa.com](mailto:dave.dockham@ncpa.com)

### City of Azusa

City of Azusa  
Azusa Light & Water Department  
Attn: George Morrow, Electric Utility Director  
729 N. Azusa Avenue  
P.O. Box 9500  
Azusa, California 91702-9500  
Telephone: (626) 812-5219  
Facsimile: (626) 334-3163  
Email: [gmorrow@ci.azusa.ca.us](mailto:gmorrow@ci.azusa.ca.us)

### Bay Area Rapid Transit District

Bay Area Rapid Transit District  
Attn: Connee Lloyd  
300 Lakeside Drive, 16<sup>th</sup> Floor  
Oakland, California 94612-3534  
Telephone: (510) 464-6435 or (510) 915-2509  
Facsimile: (510) 464-6118  
Email: [clloyd@bart.org](mailto:clloyd@bart.org)

### Modesto Irrigation District

Modesto Irrigation District  
Attn: James McFall  
Resource Planning and Development Manager  
P.O. Box 4060  
1231 Eleventh Street  
Modesto, California 95352  
Telephone: (209) 526-1521  
Facsimile: (209) 526-7575  
Email: [jamesm@mid.org](mailto:jamesm@mid.org)

### California Department of Water Resources:

Department of Water Resources  
Attention: William Forsythe, Chief, Power Contracts Branch  
2135 Butano Drive, Suite 100/Room 125  
Sacramento, California 95825  
Telephone: (916) 574-0310  
Facsimile: (916) 574-0660  
Email: [william.forsythe@water.ca.gov](mailto:william.forsythe@water.ca.gov)

### Plumas-Sierra Rural Electric Cooperative

Plumas-Sierra REC  
Attn: Bob Marshall, General Manager  
73233 Highway 70  
Portola, California 96122-7064  
Telephone: (530) 832-4261  
Facsimile: (530) 832-6070  
Email: [marshall@psln.com](mailto:marshall@psln.com)

### City of Biggs

City of Biggs  
Attn: Mark Sorensen, City Administrator  
465 "C" Street  
P.O. Box 307  
Biggs, California 95917-0307  
Telephone: (530) 868-5493  
Facsimile: (530) 868-5239  
Email: [biggs1@biggs-ca.gov](mailto:biggs1@biggs-ca.gov)

### City of Gridley

City of Gridley  
Attn: Ray Borges, Council Member  
685 Kentucky Street  
Gridley, California 95948-2117  
Telephone: (530) 846-5695  
Facsimile: (530) 846-3229  
Email: [rayborges43@gmail.com](mailto:rayborges43@gmail.com)

### City of Healdsburg

City of Healdsburg  
Attn: Terry Crowley, Electric Utility Director  
401 Grove Street  
Healdsburg, California 95448  
Telephone: (707) 431-3340  
Facsimile: (707) 431-2710  
Email: [tcrowley@ci.healdsburg.ca.us](mailto:tcrowley@ci.healdsburg.ca.us)

### City of Lodi

City of Lodi  
Attn: Elizabeth Kirkley, Utility Director  
221 W. Pine Street  
Lodi, California 95240  
Telephone: (209) 333-6828 or (209) 200-1107  
Facsimile: (209) 333-6839  
Email: [ekirkley@lodielectric.com](mailto:ekirkley@lodielectric.com)

### City of Lompoc

City of Lompoc  
Attn: Tikan Singh  
100 Civic Center Plaza  
P.O. Box 8001  
Lompoc, California 93438-8001  
Telephone: (805) 736-1261 (switchboard)  
Facsimile: (805) 875-8399  
Email: [t\\_singh@ci.lompoc.ca.us](mailto:t_singh@ci.lompoc.ca.us)

### Silicon Valley Power

Silicon Valley Power  
Attn: John Roukema, Electric Utility Director  
1500 Warburton Avenue  
Santa Clara, California 95050  
Telephone: (408) 261-5490  
Facsimile: (408) 249-0217  
Email: [jroukema@siliconvalleypower.com](mailto:jroukema@siliconvalleypower.com)

### City of Ukiah

City of Ukiah  
Attn: Mel Grandi, Utility Director  
300 Seminary Avenue  
Ukiah, California 95482  
Telephone: (707) 463-6295 or (209) 747-0546  
Facsimile: (707) 463-6740  
Email: [mgrandi@cityofukiah.com](mailto:mgrandi@cityofukiah.com)

### Power and Water Resources Pooling Authority

Power and Water Resources Pooling Authority  
Attn: Bruce McLaughlin  
Braun, Blaising, McLaughlin & Smith, P.C.  
915 L Street, Suite 1480  
Sacramento, CA 95815  
Telephone: (916) 326-5812 (main) (916) 531-5566 (direct)  
Email: [mclaughlin@braunlegal.com](mailto:mclaughlin@braunlegal.com)





## **Lodi Energy Center Project Participant Committee**

### **Staff Report**

AGENDA ITEM NO.: 12

**Date:** August 3, 2016

**Meeting Date:** August 8, 2016

**To:** Lodi Energy Center Project Participant Committee

**Subject:** Approval of Assignment, Assumption and Consent Agreement and Amendment to LEC PMOA Agreement Schedule 2.00

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#### Background

Mercuria Energy America, Inc. ("MEA") is currently the natural gas manager and imbalance natural gas supplier for the Lodi Energy Center project ("LEC"). In such capacity, MEA currently provides firm, full requirements natural gas management services pursuant to a Master Transaction Confirmation ("Confirmation") that is appended to and made part of the Base Contract for Sale and Purchase of Natural Gas between Northern California Power Agency ("NCPA") and MEA (the "NAESB").

MEA has recently provided notice to NCPA of its intent to assign the Confirmation to EDF Trading North America, LLC ("EDFT"), pursuant to which EDFT will assume responsibility for the LEC natural gas management contract and become the new natural gas manager and imbalance natural gas supplier for LEC.

#### Assignment Agreement

In order to effectuate the transition between MEA and EDFT, MEA must assign its rights in the Confirmation to EDFT. Pursuant to the NAESB, such assignment must be approved by NCPA. MEA and EDFT have developed the Assignment, Assumption and Consent Agreement ("Assignment Agreement") to enable the assignment of the LEC natural gas management contracts. The Assignment Agreement has been attached to this staff report for your reference.

Pursuant to the Assignment Agreement, EDFT will assume the role and associated responsibilities as the LEC natural gas manager and imbalance natural gas supplier. As part of the assignment the Confirmation will be maintained in its current form; therefore, the assignment should result in no material impact of change in current business practices. EDFT currently acts as NCPA's natural gas manager and imbalance natural gas supplier for the NCPA Combustion Turbine Projects No. 1 and No. 2, pursuant to the terms and conditions of a NAESB agreement between NCPA and EDFT.

#### Amendment to LEC PMOA Agreement Schedule 2.00

The LEC PMOA Agreement Schedule 2.00 pertains to fuel supply procurement, delivery and management. The current LEC PMOA Agreement Schedule 2.00 lists MEA as the Project Gas Supplier and Manager. The LEC PMOA Agreement Schedule 2.00 needs to be amended to list EDFT as the Project Gas Supplier and Manager. Pursuant to LEC PMOA Article 10.1, the PPC

is authorized to approve an amendment to LEC PMOA Agreement Schedule 2.00. A redlined version of LEC PMOA Agreement Schedule 2.00 has been attached to this staff report for your reference.

Fiscal Impact

Costs associated with development and negotiation of the Assignment Agreement and Amendment to LEC PMOA Agreement Schedule 2.00 are consistent with existing budget categories as approved in the NCPA annual budget. The terms and conditions under which EDFT acts as the Project Gas Supplier and Manager remain unchanged; therefore there are not additional costs associated with this transition.

Environmental Analysis

This activity would not result in a direct or reasonably foreseeable indirect change in the physical environment and is therefore not a "project" for purposes of Section 21065 of the California Environmental Quality Act. No environmental review is necessary.

Recommendation

NCPA Staff recommends that the Lodi Energy Center Project Participant Committee:

1. Approve the Assignment, Assumption and Consent Agreement by and between MEA, EDFT and NCPA, including any modification made to the Assignment, Assumption and Consent Agreement made by NCPA's General Counsel; and
2. Approve an amendment to the LEC PMOA Agreement Schedule 2.00 to list EDFT as the Project Gas Supplier and Manager effective September 1, 2016.

Prepared by:

TONY ZIMMER  
Supervisor, Industry Restructuring  
and Interconnection Affairs

Attachments: (2)

- Assignment, Assumption and Consent Agreement
- PMOA Schedule 2.00, Fuel Supply Procurement, Delivery, and Management

## **ASSIGNMENT, ASSUMPTION AND CONSENT AGREEMENT**

THIS ASSIGNMENT, ASSUMPTION AND CONSENT AGREEMENT (the “*Assignment Agreement*”) is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2016 (the “*Execution Date*”) by and among **Mercuria Energy Gas Trading LLC** (“*Assignor*”), **EDF Trading North America, LLC** (“*Assignee*”), and **Northern California Power Agency** (“*Consenting Party*”) (Assignor, Assignee and Consenting Party are sometimes referred in this Assignment Agreement as a “*Party*” and collectively as the “*Parties*”).

**WHEREAS**, Assignor and Consenting Party are parties to a certain transactions (the “*Assigned Transactions*”), as evidenced by a Confirmation (an “*Old Confirmation*”) a copy of which is attached hereto as Exhibit 1, which was entered into pursuant to that certain Base Contract for Sale and Purchase of Natural Gas dated June 22, 2010, entered into between Assignor and Consenting Party (together with all amendments and modifications, the “*Subject Agreement*”);

**WHEREAS**, Assignee and Consenting Party have previously entered into the New Master Agreement (as defined below);

**WHEREAS**, Assignor desires to assign and delegate to Assignee, from and after the Effective Time, all of its rights, duties and obligations in the Assigned Transactions, and Assignee desires to accept such assignment and delegation and to assume all such rights, duties and obligations with the effect that the Assignee and Consenting Party enter into a new confirmation (each a “*New Confirmation*”) between them having terms identical to those of each of the Old Confirmations, from and after the Effective Time, in accordance with the terms hereof;

**WHEREAS**, Assignor and Assignee desire to obtain Consenting Party’s written consent to assign or transfer such Assigned Transactions, and Consenting Party desires to grant such consent in accordance with the terms hereof;

**WHEREAS**, with effect from and including the Effective Time, the Consenting Party wishes to accept the Assignee as its sole counterparty with respect to the Assigned Transactions and the Assumed Liabilities; and

**WHEREAS**, the Parties have entered into this Assignment Agreement subject to the satisfaction of certain conditions precedent, as set forth herein.

**NOW, THEREFORE**, for and in consideration of the premises and the mutual covenants contained herein, and for other good and valuable consideration, the receipt, adequacy and legal sufficiency of which are hereby acknowledged, the Parties do hereby agree as follows:

1. **Assignment.** Effective as of the Effective Time, on the Novation Date Assignor hereby assigns to Assignee all of its right, title, benefit, privileges and interest in and to the Assigned Transactions that are to be performed or accrue on and after the Effective Time and that do not relate to a calculation period or delivery period (however defined) ending before the Effective Time. For purposes of this Assignment Agreement, “*Effective Time*” shall mean the

beginning of the hour ending 0100 eastern prevailing time on the Novation Date “**Novation Date**” shall mean [September 1, 2016].

2. **Assumption.** Effective as of the Effective Time, Assignee hereby accepts such assignment and assumes and agrees to observe and perform the Liabilities of Assignor under or relating to the Assigned Transactions, which are to be performed or accrue on and after the Effective Time, to the extent such Liabilities arise from or relate to acts, omissions or events occurring or conditions arising on or after the Effective Time (the “**Assumed Liabilities**”). All Liabilities other than the Assumed Liabilities, including but not limited to Liabilities (i) arising from or relating to acts, omissions or events occurring or conditions arising prior to the Effective Time but which have not been settled, paid or performed as of the Effective Time; or (ii) due and payable or due to be performed after the Effective Time, but which accrued with respect to or otherwise related to a calculation period or delivery period (however defined) ending prior to the Effective Time (collectively, the “**Excluded Liabilities**”), shall remain and be the obligation and responsibility of Assignor, and Assignee shall not assume, discharge, perform or be responsible in any way for any Excluded Liabilities. For purposes of this Assignment Agreement, “**Liabilities**” means indebtedness, obligations, duties and other liabilities (including in respect of or arising out of any breach of contract or actual or alleged failure of Assignor to perform any obligation), whether absolute, accrued, contingent, fixed or otherwise, or whether due or to become due with respect to any one or more of the Assigned Transactions.

3. **Acceptance by Consenting Party.** Effective as of and from the Effective Time, Consenting Party hereby consents to the assignment of the Assigned Transactions and accepts Assignee as the party to perform only the Assumed Liabilities of Assignor under the Assigned Transactions.

4. **Releases.**

(a) Effective as of and from the Effective Time, Consenting Party hereby releases and forever discharges Assignor and Assignor’s Guarantor(s), if any, from any and all further obligations to Consenting Party with respect to the Assumed Liabilities, including any liability of any type as a consequence of, or relating to, the Assigned Transactions, including, without limitation, all manner of action and inaction, cause or causes of action, suits, debts, dues, sums of money, claims and demands whatsoever at law or in equity arising out of, or which are in any way related to, the Assigned Transactions, provided that, for certainty, the foregoing shall not release or discharge Assignor or Assignor’s Guarantor(s), if any, in respect of the settlement, payment or performance of any Excluded Liabilities, and all such Excluded Liabilities shall remain and be the obligation and responsibility of Assignor and Assignor’s Guarantor(s), if any, and shall be paid or performed by Assignor to the Consenting Party in accordance with the terms of the Assigned Transactions as though such agreements had not been assigned.

(b) Effective as of and from the Effective Time, Assignor hereby releases and forever discharges Consenting Party and Consenting Party’s Guarantor(s), if any, from any and all further obligations to Assignor with respect to the Assigned Transactions and from any and all liability of any type as a consequence of, or relating to, the Assigned Transactions, including, without limitation, all manner of action and inaction, cause or causes of action, suits, debts, dues, sums of money, claims and demands whatsoever at law or in equity, arising out of or which are

in any way related to, the Assigned Transactions; provided that, for certainty, the foregoing shall not release or discharge Consenting Party or Consenting Party's Guarantor(s), if any, in respect of the settlement, payment or performance of any Liabilities or obligations: (i) arising from or relating to acts, omissions or events occurring or conditions existing prior to the Effective Time but which have not been settled, paid or performed as of the Effective Time; or (ii) due and payable or due to be performed after the Effective Time, but which accrued with respect to or otherwise related to a calculation period or delivery period (however defined) ending prior to the Effective Time (for avoidance of doubt, (i) and (ii) collectively constitute the "***Consenting Party Excluded Liabilities***"), and all such Consenting Party Excluded Liabilities shall remain and be the obligation and responsibility of Consenting Party and shall be paid or performed by Consenting Party to the Assignor in accordance with the terms of the Assigned Transactions as though such agreements had not been assigned. For purposes of this Section 4(b), "***Liabilities***" means indebtedness, obligations, duties and other liabilities (including in respect of or arising out of any breach of contract or actual or alleged failure of Consenting Party to perform any obligation), whether absolute, accrued, contingent, fixed or otherwise, or whether due or to become due with respect to any one or more of the Assigned Transactions.

5. **Master Agreement.** Assignee and Consenting Party are parties to that certain Base Contract for Sale and Purchase of Natural Gas dated October 5, 2011, as modified from time to time (the "***New Master Agreement***"). Effective at the Effective Time, all the Assigned Transactions (being those set forth on Exhibit 1) shall be subject to the New Master Agreement. Assignor and Consenting Party agree that nothing herein amends or modifies the terms of the Subject Agreement, any credit support provided by either party to the other thereunder or any transactions thereunder that are not Assigned Transactions, all of which shall continue to be in full force and effect on the terms and conditions set forth therein. Notwithstanding any provision of the New Master Agreement to the contrary, the New Master Agreement shall only apply to the Assigned Transactions from the Effective Date forward and any future transactions entered into between Assignee and Consenting Party that specifically refer to the New Master Agreement.

6. **Further Actions.** Each of the Parties hereto covenants and agrees, at its own expense, to execute and deliver, at the request of another Party hereto, such further instruments of transfer and assignment, and to take such other action, as such other Party may reasonably request to more effectively consummate the assignments and assumptions contemplated by this Assignment Agreement.

7. **Governing Law, Jurisdiction, Jury Trial Waiver.** The validity, interpretation and performance of this Assignment Agreement and each of its provisions shall be governed by the applicable laws of the State of California, without regard to its conflict of law provisions.

(b) With respect to any suit, action or proceeding relating to this Assignment Agreement (each a "***Proceeding***"), venue for any such Proceeding shall be the United States District Court, Eastern District, Sacramento Division, or in the Superior Court of the State of California in and for the County of Sacramento exclusively. The Parties hereto consent and agree that the above-named courts shall have personal jurisdiction over the Parties in any such Proceeding and that venue is proper in such courts.

(c) Each Party waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in any Proceeding. Each Party (i) certifies that no representative, agent or attorney of any other Party has represented, expressly or otherwise, that such other Party or Parties would not, in the event of such a Proceeding, seek to enforce the foregoing waiver and (ii) acknowledges that it and each of the other Parties hereto have been induced to enter into this Assignment Agreement by, among other things, the mutual waivers and certifications in this Section.

8. **Representations.**

(a) Each Party hereby represents and warrants to the others as of the Execution Date and as of the Effective Time that:

(i) it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation, is duly qualified to do business in those jurisdictions in which it is necessary for the conduct of its business, except for failures which in the aggregate are not material to the other Parties, and has all requisite corporate or other similar power and authority and the legal right to own and operate its properties and to conduct its business as currently conducted;

(ii) the execution, delivery, and performance by it of this Assignment Agreement does not require any consent, license, approval or authorization of, or other action by, or any notice or filing with, any governmental entity or any other person other than such as have already been obtained;

(iii) the execution, delivery and performance by it of this Assignment Agreement are within its organizational powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents or any government rule applicable to it or result in the breach, default or termination of any agreement to which it is a party including the Subject Agreement and New Master Agreement, as applicable;

(iv) this Assignment Agreement has been duly executed and delivered on its behalf; constitutes its legally valid and binding obligation enforceable against it in accordance with its terms, except where enforceability may be limited or otherwise impacted by bankruptcy, insolvency or other similar laws affecting creditors' rights generally and except where enforceability is subject to the application of equitable principles or remedies;

(v) no petition or notice has been presented, no order has been presented, no order has been made and no resolution has been passed for its bankruptcy, liquidation, winding-up or dissolution, and no receiver, trustee, custodian or similar fiduciary has been appointed over the whole or any part of any of its assets or income, and it has not received any notice that any other person has any plan or intention of, filing, making or obtaining any such petition, notice, order or resolution or of seeking the appointment of a receiver, trustee, custodian or similar fiduciary.

(vi) it is acting for its own account, and it has made its own independent decisions to enter into this Assignment Agreement and as to whether this Assignment Agreement is appropriate or proper for it based upon its own judgment and upon advice from such advisers as it has deemed necessary; and

(vii) it is not relying on any communication (written or oral) of any other Party as investment advice or as a recommendation to enter into this Assignment Agreement; it being understood that information and explanations related to the terms and conditions of this Assignment Agreement shall not be considered to be investment advice or a recommendation to enter into this Assignment Agreement. No communication (written or oral) received from any other Party shall be deemed to be an assurance or guarantee as to the expected results of this Assignment Agreement.

(b) Each of the Assignor and Consenting Party hereby represents and warrants to each other and to the Assignee that:

(i) as of the Execution Date and as of the Effective Time, it has made no prior transfer (whether by way of security or otherwise) of any interest or obligation in or under or in respect of any of the Assigned Transactions;

(ii) as of the Effective Time, all obligations of the Assignor and the Consenting Party under each Assigned Transaction required to be performed on or before the Novation Date have been fulfilled; and

(iii) as of the Execution Date and as of the Effective Time, no event of default (or event which would with the passage of time become an event of default) with respect to it has occurred and is continuing under the Assigned Transactions.

9. **Entire Agreement.** This Assignment Agreement, and all exhibits and schedules hereto, represents the entire understanding and agreement between the Parties with respect to the subject matter hereof and supersedes all prior oral and written and all contemporaneous oral negotiations, commitments and understandings between the Parties.

10. **No Third Party Beneficiaries.** This Assignment Agreement is entered into for the sole benefit of the Parties, and except as specifically provided herein, no other person shall be a direct or indirect beneficiary of, or shall have any direct or indirect cause of action or claim in connection with, this Assignment Agreement.

11. **Counterparts.** The Parties agree that this Assignment Agreement may be executed in counterparts and that, when taken together, such counterparts constitute but one agreement.

*[Signature page to follow]*

IN WITNESS WHEREOF, the Parties have executed this Assignment Agreement as of the date first above written.

**Assignor:**

**Mercuria Energy Gas Trading LLC**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Assignee:**

**EDF Trading North America, LLC**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Consenting Party:**

**Northern California Power Agency**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_



**Exhibit 1**

**Assigned Transactions**

**See attached Excel spreadsheet**



## Agreement Schedule 2.00

### Fuel Supply Procurement, Delivery, and Management

NCPA is responsible for fuel supply procurement, delivery and management for the Project and, subject to PPC direction, may develop, negotiate and administer Project fuel supply arrangements (the “Fuel Management Contract” or “FMC”). The FMC is to govern Project fuel supply activities including but not limited to daily fuel scheduling (nominations), fuel purchasing/sales, fuel balancing and fuel pricing. In addition, the FMC is to provide for the choice by Participants and/or NCPA of arranging for the delivery of 3<sup>rd</sup> Party Supply (fuel which is not purchased under the FMC) to the Project. To provide alternate and/or additional fuel supply sources, NCPA may execute third party fuel supply agreements in the future as approved by the PPC. Any added or additional charges resulting from any Participant supplied fuel will be fully charged to such Participant(s).

From time to time and as directed by the PPC, NCPA may seek and analyze proposals from potential fuel managers for the Project, and subsequently recommend a fuel manager/supplier (the “Project Gas Supplier and Manager”) to the PPC for its consideration.

#### Description of Current Fuel Management Contract

~~Mercuria Energy Gas Trading LLC (“Mercuria”)~~ EDF Trading North America, LLC (“EDFT”) is the current PPC approved fuel manager and is also a fuel supplier. The following components are included in the ~~Mercuria~~EDFT fuel supply and management contracts:

- North American Energy Standards Board (NAESB) Base Contract
- Special Provisions to the NAESB Base Contract
- Master Transaction Confirmation
- ~~• Model Credit Support Addendum to the NAESB Base Contract~~
- ~~• Amendment to the Model Credit Support Addendum to the NAESB Base Contract~~

The following summarizes the fuel settlements procedure for the ~~Mercuria~~EDFT fuel supply and management contracts and supplements the scheduling protocols in PMOA Schedule 1.00 “Scheduling and Dispatch Operations and Economic Criteria”. (Note: if there were to be a conflict between procedures established in PMOA Schedules 1.00 and 2.00, NCPA staff would proceed with affected Project activities in a manner deemed prudent, reasonable and equitable by Project staff and bring such matter(s) to the PPC for discussion and clarification at the next subsequent PPC meeting).

## Definitions:

- “3<sup>rd</sup> Party Imbalance” means all or any portion of 3<sup>rd</sup> Party Supply (less any quantity sold by NCPA to a party other than Seller) not delivered to Point of Delivery.
- “3<sup>rd</sup> Party Supply” is any fuel supply that is purchased by NCPA and/or Participant(s) which is not purchased under the FMC.
- “Actual Metered Usage” indicates the totaled measured Project fuel consumption over a particular period of time at the same meter(s) used to establish LEC fuel consumption for billing under the FMC.
- “Buyer” is NCPA acting on behalf of Project Participants pursuant to the PMOA.
- “Flow Day” is the calendar day that scheduled fuel supply is to be used or burned.
- “Fuel Management Contract: (FMC) governs forward fuel transactions (fuel purchasing/sales) and daily fuel related activities, e.g. nominations (scheduling) of fuel supply, fuel balancing, fuel pricing, and arrangement for delivery of 3<sup>rd</sup> Party Supply(s).
- “OFO/EFO” means Operational Flow Order or Emergency Flow Order as defined in the PG&E Gas Tariff.
- “PG&E Citygate Daily Index Price” means the volumetric weighted average of the PG&E Citygate prices (US\$/MMBtu) as published in Platts Gas Daily and listed under “PG&E Citygate Midpoint”.
- “PG&E Citygate Pool” shall, unless the context indicates otherwise, mean Seller’s gas account with PG&E where PG&E tracks on a daily and monthly basis, the total quantity of gas nominated for delivery to Seller at PG&E Citygate (all additions to Seller’s PG&E Citygate Pool) during a day or month and the total quantity of gas that Seller disposes of via delivery nominations submitted to PG&E (all deductions from Seller’s PG&E Citygate Pool) during such day or month – all as adjusted by PG&E for any variances between such nominations and applicable quantities of gas actually received or delivered during such day or month. At the end of any calendar day or month, the gas balance in Seller’s PG&E Citygate Pool may be positive, zero or negative.
- “PG&E Nomination Revision Deadlines” for each Flow Day are 9:30 AM and 4:00 PM on the day ahead of the Flow Day and 8:00 AM and 3:00 PM on the Flow day.
- “Prepurchased and Presale Gas” indicates any NCPA forward gas transactions with the Seller made under the FMC for one or more Participants pursuant to PSA Section 8.3 and/or under separate agreement(s) pursuant to PMOA Section 5.1.2.e.
- “Seller” is the fuel supplier and manager pursuant to the FMC (currently ~~Mercuria~~EDFT).
- “Standard Package(s)” means contiguous Flow Days that are traded as one package and must be purchased together and not individually, such as weekends (Saturday and Sunday would be one package) and holiday weekends (e.g. Saturday, Sunday, and Monday would be one package).
- Timely “Cycle” is prior to 6:30 AM of the business day immediately prior to the applicable Flow Day(s).

- 1) The day ahead Nominated Day Volume ( $NDV_{DA}$ ) is the expected LEC fuel requirement (MMBtu/day) less Net 3<sup>rd</sup> Party Supply less Preurchased Gas from Seller plus Presale Gas to Seller for the Flow Day. NCPA shall purchase/sell  $NDV_{DA}$  from/to Seller at the PG&E Citygate Daily Index Price or at another price as otherwise mutually agreed. The nomination notification for all day ahead schedules shall be provided by NCPA to Seller prior to 7:00 AM on the day ahead of the Flow Day. The expected LEC fuel requirement for the Flow Day shall be based on forecasted and historical results of power market activities and prices, and LEC Project operating information maintained by NCPA.
  - a) All day ahead expected LEC fuel requirements and related gas transaction(s) scheduled by Seller shall be valued at the PG&E Citygate Daily Index Price unless otherwise mutually agreed.
  - b) The expected LEC fuel requirement shall be allocated to Participants by respective GES, and adjusted for each Participant's share of Net 3<sup>rd</sup> Party Supply, if any, and applicable share of any Preurchased Gas and/or Presale Gas. Participants providing 3<sup>rd</sup> Party Supply shall notify and schedule such quantities with NCPA by 6:30 AM on the day ahead of the applicable Flow Day(s) and shall arrange for delivery to the PG&E Citygate.
  - c) "Net NDV" = Net Nominated Daily Volume =  $NDV_{DA} + \text{Preurchased Gas} - \text{Presale Gas}$ 
    - i) Includes only transactions between Buyer and Seller scheduled under the FMC.
  - d) "Net 3<sup>rd</sup> Party Supply" = 3<sup>rd</sup> Party Supply plus deliveries from Buyer's LEC storage account less sales of 3<sup>rd</sup> Party Supply and less deliveries to Buyer's LEC storage account
    - i) Includes only transactions scheduled by Seller under the FMC.
  - e) The flowing costs shall be allocated to the responsible Participant(s):
    - i) Seller shall be indemnified for costs of 3<sup>rd</sup> Party Imbalances and shall invoice Buyer either (a) the applicable PG&E Citygate Gas Daily Index price or (b) the actual costs attributable to such imbalances pursuant to the FMC.
    - ii) Seller shall invoice Buyer the specific imbalance costs and amounts, as determined under 1(e)(i) above, for each affected 3<sup>rd</sup> Party Supply schedule.
    - iii) Any 3<sup>rd</sup> Party Supply(s) nominated after the Timely Cycle and any non-Standard Packages will incur a management fee of \$0.01/MMBtu to be paid to Seller by Buyer and allocated to the responsible Participant(s), as applicable.
- 2) "Revision Notifications" are revisions to the Net NDV and shall be made at least 2 hours prior to the remaining applicable PG&E Nomination Revision Deadlines for the Flow Day.

- a) Seller shall quote a price for each revision amount requested by NCPA. These revisions may be purchases/sales which may be needed to mitigate anticipated impacts of daily Fuel Imbalance Volumes and/or OFO/EFO penalties caused by LEC Project operation changes. Such price quote(s) will be based on Seller's market activities at the time of Revision Notification from NCPA. The final Net NDV is the Net NDV adjusted for all revision request(s) at price quote(s) accepted by NCPA. If no revision prices quotes are accepted by NCPA, then the final Net NDV is the Net NDV as established at 7:00 AM on the day ahead.
  - b) If Seller fails to respond to a revision request to the Net NDV upon timely notice from NCPA, then the price for the revision amount will be the PG&E Citygate Daily Index Price for the Flow Day.
  - c) Revision Notification impacts shall be allocated to Participants by respective GES.
- 3) The daily "Fuel Imbalance Volume" is the difference between the volumes received into Seller's PG&E Citygate Pool for expected NCPA LEC usage and the volumes delivered out of Seller's PG&E Citygate Pool for actual NCPA LEC usage.
- a) Fuel Imbalance Volume = Net NDV + Net 3<sup>rd</sup> Party Supply – Actual Metered Usage(s).
  - b) The price for Fuel Imbalance Volume is the PG&E Citygate Daily Index Price applicable for the Flow Day following the first available transaction day after the NCPA LEC Fuel Imbalance Volume is determined (i.e. 2-day lag price).
  - c) Seller shall receive the LEC Actual Metered Usage each day.
  - d) Fuel Imbalance Volume charges shall be allocated to Participants by respective GES.
- 4) OFO/EFO penalties shall be determined by Seller as follows:
- a) If Seller's PG&E Citygate Pool does not incur a penalty, then no penalty will be assessed to Buyer for any daily Fuel Imbalance Volume.
  - b) If Seller's PG&E Citygate Pool incurs a penalty, such penalty is to be prorated with other customers in Seller's PG&E Citygate Pool whose daily Fuel Imbalance Volumes contributed to the penalty assessed by PG&E.
  - c) Seller will indemnify NCPA for any penalty assessment up to \$10,000 per occurrence, but not to exceed a cumulative limit of \$50,000 per calendar year.
  - d) OFO/EFO penalty costs incurred by the LEC Project shall be allocated to Participants by respective GES.
- 5) "Market Adjustment" is a monthly payment from Seller to NCPA and shall be determined as follows: \$0.01/MMBtu x the month's Actual Metered Usage. This payment from Seller shall be allocated monthly to Participants by respective GES.