



651 Commerce Drive
Roseville, CA 95678

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

Minutes

To: NCPA Facilities Committee
From: Michelle Schellentrager
Subject: August 31, 2016, Facilities Committee Meeting Minutes

1. **Call meeting to order & Roll Call** - The meeting was called to order by Committee Chair Alan Hanger at 9:06am. A sign-in sheet was passed around. Attending via teleconference and/or on-line presentation were: Alan Hanger, Debbie Whiteman and Barry Leska (Alameda), Mark Sorensen (Biggs), Paul Ekert (Gridley), Jiayo Chiang and Melissa Price (Lodi), Tikan Singh (Lompoc), Basil Wong (Port of Oakland), Monica Padilla (Palo Alto), Steve Hance and Kathleen Hughes (Santa Clara), Steve Hollabaugh (Truckee-Donner), and Jim Farrar (Turlock). Those attending in person are listed on the attached Attendee Sign-in Sheet. Committee Representatives from BART, Healdsburg, Plumas-Sierra, and Ukiah were absent. A quorum of the Committee was established.

PUBLIC FORUM

No public comment.

2. **Approve minutes from the August 3rd Facilities Committee meetings.** A motion was made by Shannon McCann and seconded by Steve Hance recommending approval of the August 3rd Facilities Committee meeting minutes. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Lompoc, Palo Alto, Port of Oakland, Roseville and Santa Clara. The motion passed.
3. **CAISO IIE Dispute** – Tony Zimmer gave an update on the ongoing dispute with CAISO, related to Instructed and Uninstructed Imbalance Energy, specifically NCPA submitting DEC bids to the CAISO from June 2015 – Sept 2015.. As a result of NCPA's bidding strategy, the CAISO imposed a number of deviation penalties when NCPA submitted DEC bids to the CAISO. NCPA subsequently submitted a placeholder dispute to these penalties. Following several meetings and discussions over the past year, the CAISO recently partially accepted various portions of the dispute and denied the DEC bid portion of the dispute. The Agency will recover approximately half of the \$334,000 disputed amount.

Tony presented options for seeking further remedy of from the penalties from CAISO:

- Enter into a CAISO Dispute Resolution with an arbitrator. NCPA has until November 3, 2016 to file an official Dispute Resolution Request with CAISO
- Submit a Business Practice Manual change request to change the CAISO's current calculations. CAISO has stated that they are open to considering changing the formulas.
- File a complaint to FERC, arguing that CAISO is improperly implementing our contract. This option could be costly, likely exceeding the disputed amount. This option would not necessarily help to recover the money NCPA has already lost, but could help fix the underlying issues.

NCPA will likely first file a CAISO Dispute Resolution request, while at the same time submitting a request to CAISO for them to change their calculation formulas. Pending the outcome of these

combined requests, NCPA may choose to pursue an official complaint with FERC (however, NCPA would bring it before the Facilities Committee before pursuing this last option).

- 4. Merced Irrigation District Services Agreement** – NCPA was selected as the successful bidder to Merced Irrigation District, and is currently in contract negotiations with MEID. NCPA is working to develop a non-member Services Agreement (similar to the agreement recently set up for Placer County Water Agency). MEID estimates they will start receiving services from NCPA in the 4th quarter of this year, and the contract will likely have an Effective Date through June 30, 2022, with automatic extension for a term of two years.

The Scope of Services NCPA will be providing are as follows:

- Scheduling Coordination services
- Dispatch services
- Portfolio Management & Optimization services
- Reliability Standards Compliance services
- Supplemental services

Staff recommended approval of the Services Agreement between Merced Irrigation District and NCPA, under which NCPA would supply certain Power Management and Administrative Services to the Merced Irrigation District.

Motion: A motion was made by Monica Padilla and seconded by Shannon McCann recommending Commission approval of the Services Agreement with Merced. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Lompoc, Palo Alto, Port of Oakland, Roseville and Santa Clara. ABSTAIN = TID. The motion passed.

- 5. Professional Services Agreement with Placer County CCA** – Placer County is in the process of forming as a Community Choice Aggregator (CCA) and seeks NCPA's assistance with certain professional services during the initial process. Placer County has expressed a strong interest in taking Power Management and Administrative Services from NCPA once the CCA is formed.

Under this Professional Services Agreement, Placer County would like NCPA to provide the following services:

- Planning & Portfolio Content
- Pricing and forecasting
- Developing risk management policies and regulations
- Exploration of procurement options

Services would be provided on a time and materials basis with a non-to-exceed amount of \$50,000.00

City of Roseville stated they were not comfortable recommending the Agreement for approval not having an opportunity to review the document first. Two separate motions were made for the Facilities Committee to consider..

Motion 1: A motion was made by Monica Padilla and seconded by Shannon McCann recommending approval of a framework for the development of a Professional Services Agreement between NCPA and Placer County CCA, to enable NCPA to provide certain professional services to Placer County, based on the scope of services and services pricing as presented herein. A vote was taken by roll call: YES = Alameda, Gridley, Lodi, Lompoc, Palo Alto, Port of Oakland, Roseville, and Santa Clara. The motion passed.

Motion 2: A motion was made by Steve Hance and seconded by Monica Padilla recommending approval of a Professional Services Agreement between NCPA and Placer County pending comprehensive review and approval of such Professional Services Agreement by NCPA's

General Counsel, whereby NCPA's General Counsel will confirm that the content and structure of the Professional Services Agreement is consistent with the framework as approved by the Facilities Committee. A vote was taken by roll call: YES = Gridley, Lodi, Lompoc, Palo Alto, Port of Oakland, and Santa Clara. NO = Roseville. ABSTAIN = Alameda. The motion passed.

- 6. Provision of Power Management Services to Shasta Lake** – Shasta Lake is currently in the process of becoming a member of NCPA. They have since expressed an interest in taking Power Management services from NCPA. Staff has developed cost allocation modeling assumptions in order to provide Shasta Lake with an estimate of costs. Roseville requested that staff consider the Integrated System share as well in the cost estimate. Staff will address this, but will most likely not have a real material change to the cost estimate. Staff is recommending approval of the assumptions for modeling and pricing Power Management Services that may be supplied to Shasta Lake pursuant to the Power Management and Administrative Services Agreement.

Motion: A motion was made by Steve Hance and seconded by Shannon McCann recommending Commission approval of the proposed modeling and pricing for NCPA providing services to Shasta Lake. A vote was taken by roll call: YES = Alameda, Gridley, Lodi, Lompoc, Roseville, and Santa Clara. ABSTAIN = Palo Alto. The motion passed.

7. Planning and Operations Update –

- A request recently came in from Clenera for NCPA to provide Schedule Coordination services. Staff met with them this week based on their current relationship with Palo Alto. The project will be located in Modesto Irrigation District connected to Merced and dynamically dispatched to CAISO. NCPA staff will be meeting with Merced to discuss this further.
- PG&E filed TO-18, which is a continuation of PG&E's annual rate increases of 9.5%; these annual increases have been happening since 2006. NCPA members expressed concern about these ongoing PG&E capital requests, specifically the methodology PG&E is using for developing their forecasts. NCPA staff will be discussing these rate increases with the Utility Directors to determine the best course of action possibly disputing these increases.

- 8. Schedule next meeting date** – the next regular Facilities Committee meeting is scheduled for October 5th.

ADJOURNMENT

The meeting was adjourned at 12:07pm.

**Northern California Power Agency
Facilities Committee Meeting of August 31, 2016
Attendance List**

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

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**Northern California Power Agency
Facilities Committee Meeting of August 31, 2016
Facilities Committee
Attendance List**

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

MEMBER	NAME
ALAMEDA	
BART	
BIGGS	
GRIDLEY	
HEALDSBURG	
LODI	
LOMPOC	
PALO ALTO	
PLUMAS-SIERRA REC	
PORT OF OAKLAND	
ROSEVILLE	
SANTA CLARA	
TID	
UKIAH	