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# Minutes

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**Date:** September 14, 2020  
**To:** NCPA Facilities Committee  
**From:** Carrie Pollo  
**Subject:** September 2, 2020 Facilities Committee Meeting Minutes

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- 1. Call Meeting to Order & Roll Call** – The meeting was called to order by Committee Chair Brian Schinstock, (Roseville), at 9:03 am. A sign-in sheet was passed around. Attending via teleconference and/or on-line presentation were Vidhi Chawla (Alameda), Mark Sorensen (Biggs), Paul Eckert (Gridley), Jiayo Chiang (Lodi), Tikan Singh (Lompoc), Shiva Swaminathan (Palo Alto), Mike Brozo (Plumas-Sierra), Khaly Nguyen (Port of Oakland), Nick Rossow (Redding), and Basil Wong and Steve Hance (Santa Clara). Owen Goldstrom (non-voting Member with TID) also attended via teleconference. Those attending in person are listed on the attached Attendee Sign-in Sheet. Committee Representatives from BART, Healdsburg, TID, and Ukiah were absent. A quorum of the Committee was established.

## **PUBLIC FORUM**

No public comment.

## **OPEN SESSION**

## **DISCUSSION / ACTION ITEMS**

- 2. Approval of Minutes from the August 5, 2020 Facilities Committee meeting.**

Motion: A motion was made by Tikan Singh and seconded by Basil Wong recommending approval of the August 5, 2020 Facilities Committee meeting minutes. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Lompoc, Palo Alto, Redding, Roseville, and Santa Clara. The motion passed.

- 3. All NCPA Facilities, Members, SCPA – Northwest Industrial Engine and Compressor Company MTGSA** – Staff presented background information seeking a recommendation for Commission approval of a Multi-Task General Services Agreement with Northwest Industrial Engine and Compressor Company, for engine, compressor, pump, and turbine inspections and maintenance services, with a not to exceed amount of \$500,000, for use at all facilities owned and/or operated by NCPA, NCPA Members, SCPA, and SCPA Members. All purchase orders will be issued following NCPA procurement policies and procedures.

This is a renewal agreement with an existing vendor. It is an enabling agreement with no commitment of funds. NCPA has utilized this vendor in the past, and has a good working relationship with the vendor. NCPA desires to enter into this agreement so established terms

and conditions are in place should this vendor be the successful bidder on future projects. Existing agreements in place for similar services with current vendors include Cisco Air Systems, EthosEnergy, KSB, Inc. and Sulzer Turbo Services Houston, Inc. A draft Commission Staff Report and draft agreement were available for review. It is recommended to place this item on the Commission Consent calendar.

Motion: A motion was made by Basil Wong and seconded by Jiayo Chiang recommending Commission approval authorizing the General Manager or his designee to enter into a Multi-Task General Services Agreement with Northwest Industrial Engine and Compressor Company for inspection and maintenance related services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$500,000 over five years, for use at all facilities owned and/or operated by NCPA, NCPA Members, by SCPPA, or by SCPPA Members. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Lompoc, Palo Alto, Redding, Roseville, and Santa Clara. The motion passed.

**4. Approval of Services Agreement with Sonoma Clean Power –** Staff presented background information seeking a recommendation for Commission approval of a Services Agreement between NCPA and Sonoma Clean Power (SCP), under which NCPA will supply certain wholesale power supply services to SCP.

NCPA has been working with SCP to develop a Services Agreement pursuant to which NCPA will supply services to SCP, after being selected as SCP's preferred services provider. The limited scope of services will include scheduling coordinator services such as developing, and submittal of bids for SCP loads, resources, trades, and other CAISO products. Other services include limited resource optimization and outage coordination, settlement processing and validation, RA compliance filings, data management and reporting, Day-Ahead and Real-Time load forecasting, submittal of CRR nominations and bids, and operational communications. The initial term of service will be three years, with an opportunity for an automatic one year extension. Proposed cost for services is \$205,000 per year, Liability for select services will be limited to the cost for services in the event of NCPA's active negligence. The effective date of services is scheduled to begin January 1, 2021, with NCPA as the registered SCID for SCP. A notice of termination will be due 90 days in advance of the end of term. The notice for cure has been shortened from 30 days to 10 days for this agreement. The security account will be a maximum of \$1,000,000 or the customers EAL. NCPA will have the right to call for emergency additions if needed. The final version of the Services Agreement between NCPA and SCP was available for Committee review.

Motion: A motion was made by Brian Schinstock and seconded by Tikan Singh recommending Commission approval of the Services Agreement between NCPA and Sonoma Clean Power (SCP), pursuant to which NCPA will supply scheduling coordinator services to SCP, including any non-substantive modifications to the Services Agreement as may be approved by NCPA's General Counsel. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Lompoc, Palo Alto, Plumas-Sierra, Port of Oakland, Redding, Roseville, and Santa Clara. The motion passed.

**5. Generation Services 2021 Outage Schedule –** Staff presented the 2021 Outage Schedule for NCPA's CT, Geo, and Hydro facilities seeking a recommendation for Facilities Committee approval of the proposed schedule. The current outages scheduled are for annual maintenance, as well as regulatory and compliance requirement updates. The outages are scheduled based upon average weather conditions, contractor availability, and consideration for RA commitment accommodations, with minimal overlap of dual outages.

Motion: A motion was made by Brian Schinstock and seconded by Mike Brozo recommending Committee approval of the 2021 Generation Services Maintenance Outage Schedule presented at the September 2, 2020 Facilities Committee meeting. A vote was taken by roll call: YES =

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

## **INFORMATIONAL ITEMS**

- 6. Status of Geothermal Facility Kincade Fire Insurance Claim** – Staff provided an update on the Geothermal insurance claim regarding the Kincade Fire loss.

The Kincade Fire started October 23, 2019. The NCPA Geothermal Plant 1 was tripped offline initiated by the #9 230 kV line protection relay. The wildfire was reported in the area near the Geo plants. NCPA shut down both units for safety compliance. PG&E de-energized the #12 transmission line, completely disconnecting the NCPA Geo units. Staff diligently worked with CAISO and PG&E on a temporary solution to restore interconnection, including installation of a shoe-fly jumper. The plant was back online January 22, 2020.

NCPA staff notified insurance underwriters and filed a claim. After six meetings with Aon, and the underwriters, the underwriters' adjuster denied the claim due to the following reasons: 1) Business Interruption (BI) loss has to be substantiated by the covered property damage; 2) The fire was triggered by a PG&E transmission line six miles away from the NCPA plants; and 3) NCPA property insurance policy only covers 1000 feet of transmission line within the physical plant. Even if the fire burned around the NCPA #9 transmission line and was covered, the property damage was well below the \$500,000 deductible, the time needed to repair and restore generation is well below the 60 day waiting period for BI loss coverage resulting in a zero claimable amount, and the 90 day BI was caused by the PG&E transmission line repair and maintenance. The NCPA panel of underwriters has been fair and reasonable in settling NCPA claims in the past. The agency has had six losses in the past five years. Calpine also submitted a Kincade Fire claim as well, but later withdrew the claim due to the same reason.

- 7. New Business Opportunities** – Staff gave an update regarding new business opportunities.

The Port of Stockton is seeking wholesale market services. The load amount is approximately 5 MW, with a potential growth of up to 40 MW. The City of Pittsburg has also expressed interest in learning more about NCPA. They are seeking wholesale markets services as well. Staff has a call with the Port of Stockton today, 9/2, to discuss what they are looking for. Staff has also been in communication with the City of Pittsburg.

- 8. Resource Adequacy Commitment Impacts on Operations** – Staff will review and discuss impacts Resource Adequacy commitments have on joint project operations.

*\*\*This item was pulled. It will be discussed at a future Facilities Committee meeting.\*\**

- 9. Alameda CT1 BESS Study Presentation** – Staff presented an overview of the results of a combined hybrid battery energy storage system study conducted for Alameda CT1.

NCPA commissioned the investigation of a Battery Electric Storage System (BESS) for the CT1 Alameda units. The idea is to use the BESS to bridge the gap between when the CT begins its startup sequence, which is 15 minutes, and when it begins generating power. The unit would act and look to the CAISO as if it's on spinning reserve. The BESS would be optimized to capture as many positive value market services as possible including energy arbitrage, spinning reserve, and regulation.

The proposed operation of the BESS would be when a start command is received, the battery system immediately begins dispatching to the grid. Simultaneously, the CT goes through its normal 15 minute start cycle. Once the CT has ramped to full load, the battery system switches off and the CT takes over. If a larger battery system is installed, it can provide a boost to plant

output to capture price peaks and ancillary services. At minimum design, the battery would store enough energy to cover the 15-minute start time of the CT. The battery would then be charged at the next available market opportunity, or on ramp down of CT.

Three years of NCPA operational data (2017-2019) and proprietary Acelerex software were used to analyze market trends. Forecasted market energy prices, ancillary service prices, and gas costs were used to create a comprehensive analysis of costs and benefits through 2030. The machine characteristics were supplied by NCPA. Currently the projected costs versus the potential revenue is higher, with the cost approximately \$9,562,602, and sales and benefits at \$8,425,516. Based on current models, a system size of 16 MW and 32 MWh of storage, could be economical by 2025 if pricing forecasts are accurate, 2029 looks most promising if battery prices continue to decline. At this time the project is not recommended due to current economic conditions. Reassessment will be ordered in 2023 to gauge the accuracy of battery price deflation and economic forecasts. The best projected target date is to be operational in 2029.

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

**Geo** – There were no safety recordables in August, with zero near misses. However, the wildfire season has arrived. Several Geo employees were evacuated in Lake County’s mandatory evacuation areas during the month of August, but have now returned back to their homes. Due to poor air quality in the area, maintenance productivity activities were reduced during the month. Average generation for August was 89.9 MW, with the net generation at 66.9 GWh. The 2020 YTD net generation is 486.8 GWh, 2% above forecast. Vegetation management is ongoing. Firebreaks are completed, and continue to be maintained.

**CTs** – During the month of August, CT1 had 36 actual starts, out of 71 forecasted. The FYTD total is now 62. CT2 had 24 actual starts of 5 forecasted, bringing the FYTD total to 32. CT2 was very busy during the heatwave. Lightning took out two pieces of equipment causing a forced outage for CT1 during the month. CT2 also experienced delayed starts. There were no planned outages.

**Hydro** – New Spicer Meadows storage continues to decline at 106,475 acre-feet currently. The carry over target for the end of the year is 80,000 acre-feet. A lot of water was used during the heatwave. Generation for Collierville over the next four months will need to be limited. August accomplishments included continuation of the 230 kV insulator replacement project, Union Dam concrete repairs, Lake Alpine low level outlet gate and trash rack modifications, and USFS Segale Meadow wildlife mitigation, which NCPA is obligated to fund. The CAISO cancelled the line outage during the 230 kV insulator replacement project from August 15 – 22. The contractor was cleared off the line while NCPA worked with PG&E to restore the line. NCPA incurred contractor standby costs of \$53,455.32. The project is now nearing completion. The total projected cost of the project is \$3,001,659.84.

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

- NCPA Renewables RFP – Staff is seeking Member feedback regarding interest in these projects. Current projects in which Members have expressed interest include: Glover Solar, Avangrid Stagecoach, Calpine Geysers, ORMAT Geo, and OCID. Review of additional proposals is currently underway.
- CY 2021 NQC/EFC has been filed for NCPA Resource. CAISO has a new set of rules, which will be distributed to Members.
- LCFS Credits – NCPA is now fully enabled to sell LCFS Credits as an approved product via the Market Purchase Program. Please reach out to NCPA to sell bundled transactions. Contact Emily Lemei, Roxana Khayyam, or Tony Zimmer.
- August 14 – 20, 2020 Heatwave – Market Disruptions/Firm Load Shedding – Staff is seeking Member feedback. CAISO ran out of supply. Stage 1, 2, and 3 notices. DAME prices were up to \$900.00. Will discuss at a future meeting.

- MIDS System – NCPA is near completion of this new system, which is replacing NADS. The IS department is actively working on this upgrade. Process instructions are much faster.
- Covid-19 Update – Dual operations of NCPA Dispatch and Scheduling functions continues.

**12. Next Meeting** – The next regular Facilities Committee meeting is scheduled for October 7, 2020.

### **ADJOURNMENT**

The meeting was adjourned at 11:20 am by the Committee Chair.