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# Minutes

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**Date:** September 10, 2019  
**To:** NCPA Facilities Committee  
**From:** Carrie Pollo  
**Subject:** September 4, 2019 Facilities Committee Meeting Minutes

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- 1. Call meeting to order & Roll Call** – The meeting was called to order by Committee Chair Tikan Singh at 9:04 am. A sign-in sheet was passed around. Attending via teleconference and/or on-line presentation were Vidhi Chawla and Alan Harbottle (Alameda), Mark Sorensen (Biggs), Paul Eckert (Gridley), Shiva Swaminathan (Palo Alto), Jared Carpenter (Port of Oakland), Paulo Apolinario and Steve Hance (Santa Clara), and Willie Manual (TID). Those attending in person are listed on the attached Attendee Sign-in Sheet. Committee Representatives from BART, Healdsburg, Plumas-Sierra REC, Redding, and Ukiah were absent. A quorum of the Committee was established.

## **PUBLIC FORUM**

No public comment.

- 2. Approve Minutes from the August 7, 2019 Facilities Committee Meeting.**

Motion: A motion was made by Jiayo Chiang and seconded by Steve Hance recommending approval of the August 7, 2019 Facilities Committee Meeting minutes. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Lompoc, Palo Alto, Roseville, and Santa Clara. The motion passed.

- 3. All Generation Services Facilities, Members, SCPPA – Worley Group, Inc. First Amendment to MTPSA** – Staff presented background information and was seeking a recommendation for Commission approval of a First Amendment to the Multi-Task Professional Services Agreement with Worley Parsons Group, Inc. accepting assignment as Worley Group, Inc., with no changes to the not to exceed amount or the terms and conditions, for continued use at all facilities owned and/or operated by NCPA, its Members, SCPPA, and SCPPA Members. This amendment assigns a new name to the contract. It will still be an enabling agreement with no commitment of funds. All purchase orders issued pursuant to the agreement will be charged against approved Annual Operating Budgets. A draft Commission Staff Report and the draft First Amendment with the original agreement were available for review.

Motion: A motion was made by Brian Schinstock and seconded by Jiayo Chiang recommending Commission approval authorizing the General Manager or his designee to enter into a First Amendment to the Five Year Multi-Task Professional Services Agreement with WorleyParsons Group, Inc., with any non-substantial changes as recommended and approved by the NCPA

General Counsel, to change the vendor name in the agreement to Worley Group, Inc., for continued use at all facilities owned and/or operated the Northern California Power Agency (NCPA), its Members, by the Southern California Public Power Authority (SCPPA), or by SCPPA Members. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Lompoc, Palo Alto, Roseville, and Santa Clara. The motion passed.

- 4. All Generation Services Facilities (Except LEC), Members, SCPPA – Ardent Companies, LLC First Amendment to MTGSA** – Staff presented background information and was seeking a recommendation for Commission approval of a First Amendment to the five-year Multi-Task General Services Agreement with Ardent Companies, LLC, increasing the not to exceed amount from \$200,000 to \$1,200,000, for use at all facilities owned and/or operated by NCPA (with exception of the Lodi Energy Center), its Members, SCPPA, and SCPPA Members. Staff anticipate utilizing this vendor for upcoming wooden pole maintenance for 16 poles, on the 21kV line at the geothermal facilities. This agreement will still be an enabling agreement with no commitment of funds. All purchase orders issued pursuant to the agreement will be charged against approved Annual Operating Budgets. A draft Commission Staff Report and the draft First Amendment with the original agreement were available for review.

Motion: A motion was made by Jiayo Chiang and seconded by Tikan Singh recommending Commission approval authorizing the General Manager or his designee to enter into a First Amendment to the Multi-Task General Services Agreement with Ardent Companies, LLC, with any non-substantial changes recommended and approved by the NCPA General Counsel, increasing the not to exceed amount from \$200,000 to \$1,200,000, for continued use at any facilities owned and/or operated by NCPA, its Members, SCPPA, or SCPPA Members, with the exception of NCPA's Lodi Energy Center. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Lompoc, Palo Alto, Roseville, and Santa Clara. ABSTAIN = Port of Oakland. The motion passed.

- 5. NCPA Solar Project 1 – Healdsburg WRF Site – CEQA Mitigated Negative Declaration for the Healdsburg Water Reclamation Facility Site** – Staff was seeking a recommendation for Commission approval of a resolution adopting the Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program, and directing staff to file a Notice of Determination with the State Clearinghouse and Sonoma County.

Staff presented an overview of the NCPA Solar Project 1. A RFP was issued May 31, 2019 for seven solar sites. Five proposals were received by August 6, 2019. Two proposals included all of the sites, but there was no clear single best proposal that included all sites. The 20 year PPA \$/MWh for the smaller sites exceeded engineering estimates. Staff will schedule one on one meetings with Members to discuss outstanding items regarding the PPA and work through all questions. The Phase 3 Agreement is ready for Commission approval, but is currently awaiting vendor selections and terms. CEQA declarations have to be approved and published as well. The target date for Commission approval is October 24, 2019. Possible 2019 participant starts include Healdsburg WRF, PSREC Chilcoot, and the Redding Airport sites. The Lodi sites will reissue a RFP to solicit more bids, and an incomplete CEQA declaration may jeopardize the Alameda Doolittle Landfill 2019 start.

The study for the Healdsburg Water Reclamation Facility site has been completed pursuant to the California Environmental Quality Act (CEQA). The Initial Study and Mitigated Negative Declaration (IS-MND) circulated to 20 public and interested agencies, including the State Clearinghouse. The 30 day public comment period was between June 7 and July 8, 2019. There were three written comments including a confirmation of receipt and review from the State Clearinghouse, the Federated Indians of Graton Rancheria confirmed receipt with no comments, and Stewards Point Rancheria Band of Kashia Pomo Indians confirmed receipt with no comments. The mitigation monitoring and report program will be the responsibility of the developer.

Motion: A motion was made by Brian Schinstock and seconded by Basil Wong recommending Commission approval adopting the Mitigated Negative Declaration and Mitigation Monitoring Program (IS&MND) for the Healdsburg Water Reclamation Facility Site, and directing staff to file a notice of Determination with the State Clearinghouse and Sonoma County. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, and Roseville. ABSTAIN = Palo Alto, Port of Oakland, and Santa Clara. The motion passed.

6. **NCPA Solar Project 1 – Lodi Sites – CEQA Mitigated Negative Declaration for the Lodi Pixley Basin, Century East/West, and Parking Garage Sites** – Staff was seeking a recommendation for Commission approval of a resolution adopting the Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program, and directing staff to file a Notice of Determination with the State Clearinghouse and San Joaquin County.

The study for the three Lodi sites has been completed pursuant to the California Environmental Quality Act (CEQA). The Initial Study and Mitigated Negative Declaration (IS-MND) circulated to 21 public and interested agencies, as well as State Clearinghouse. The 30 day public comment period was between June 19 and July 19, 2019. There were six written comments including a confirmation of receipt and review from the State Clearinghouse. The California Department of Transportation, California Regional Water Quality Control Board, San Joaquin County Public Works, and North Valley Yokuts Tribe all confirmed receipt with no comments. The mitigation monitoring and report program will be the responsibility of the developer.

Motion: A motion was made by Jiayo Chiang and seconded by Brian Schinstock recommending Commission approval adopting the Mitigated Negative Declaration and Mitigation Monitoring Program (IS&MND) for the Lodi Pixley Basin, Century East/West, and Parking Garage Sites, and directing staff to file a notice of Determination with the State Clearinghouse and San Joaquin County. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, and Roseville. ABSTAIN = Palo Alto, Port of Oakland, and Santa Clara. The motion passed.

7. **NCPA Solar Project 1 – Plumas-Sierra Chilcoot Site – CEQA Mitigated Negative Declaration for the Plumas-Sierra Chilcoot Site** – Staff was seeking a recommendation for Commission approval of a resolution adopting the Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program, and directing Staff to file a Notice of Determination with the State Clearinghouse and Plumas County.

The study for Plumas-Sierra Chilcoot site has been completed pursuant to the California Environmental Quality Act (CEQA). The Initial Study and Mitigated Negative Declaration (IS-MND) circulated to 19 public and interested agencies, as well as State Clearinghouse. The 30 day public comment period was between July 1 and August 1, 2019. There were three written comments including a confirmation of receipt and review from the State Clearinghouse, the California Department of Transportation requested adequate right of way, and the Central Valley Regional Water Quality Control Board requested compliance. The mitigation monitoring and report program will be the responsibility of the developer.

Motion: A motion was made by Jiayo Chiang and seconded by Brian Schinstock recommending Commission approval adopting the Mitigated Negative Declaration and Mitigation Monitoring Program (IS&MND) for the Plumas-Sierra Chilcoot Site, and directing staff to file a notice of Determination with the State Clearinghouse and Plumas County. A vote was taken by roll call: YES = Alameda, Gridley, Lodi, and Roseville. ABSTAIN = Palo Alto, Port of Oakland, Santa Clara, and TID. The motion passed.

8. **Generation Services 2020 Outage Schedule** – At the last Facilities Committee meeting Members expressed concern regarding two outages for the Geo plants during two different months, which may cause a conflict of scheduling RA during this time. Staff re-evaluated the

outages and is able to schedule both plant outages in April, proposing one at the beginning of the month, and one towards the end of the month, with a one day overlap. Staff presented the updated outage schedule with this change, and was seeking a recommendation for Facilities Committee approval of the 2020 Outage Schedule for NCPA's CT, Geo, and Hydro facilities.

Motion: A motion was made by Basil Wong and seconded by Brian Schinstock recommending Commission approval of the 2020 Generation Services Maintenance Outage Plan presented at the September 4, 2019 Facilities Committee Meeting. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Palo Alto, Port of Oakland, Roseville, Santa Clara, and TID. The motion passed.

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

**CTs** – The August operations were very busy for both CT1 and CT2, including 30 actual starts plus 7 ghost starts, of 22 starts that were forecasted for CT1, bringing the FYTD to 74 total. CT2 had 7 actual starts, with only 4 forecasted for a FYTD of 11. There were no forced outages, but one delayed start due to bleed valves, and no planned outages. The STIG chiller work has been completed. The STIG RATA source test has been completed as well.

**Hydro** – The Collierville Generator Unit 1 Rewind started August 5, 2019. By August 13, the unit was disassembled with the Stator on the top deck. The Stator has been stripped and core work has begun. Currently glue is being scraped off the bars, which takes approximately 2 weeks. Measurements have been done for balance. There were no hot spots found in the core, and is being fine-tuned. During the outage, others parts and equipment are being cleaned and inspected. During the rest of September and October, the core will be prepared and the winding installation completed. Re-assembly is scheduled for October 25, with testing and commissioning November 21. Release of the unit is scheduled for November 26.

**Geo** – There were no safety incidents to report at Geo for the month of August. 71% of Geo staff have completed their mandatory training with the other 29% expected to finish by the end of the year. Vegetation management continues, with 300 feet spacing from structures and 100 feet spacing from the pipelines, and roads. The average net generation for August was 85.6 MW with an estimated total 63.7 GWhr. YTD net generation is 478.4 GWhr, which is 3.5% above forecasted. The P-site drilling project has been completed. The estimated cost is \$5.2 million of the \$9 million budget. Staff will move onto drilling the Q-site with the remaining funds left over.

**10. CAISO Initiative – The Market Settlement Timeline Change** – Staff provided an update regarding this new initiative. The CAISO is proposing to modify the current timeline to produce more timely and accurate settlements, and to shorten the overall time horizon from three years to two years. Disputes will also be limited to cases only greater than \$100.00.

The current settlement timeline is that the majority of actual cash clearing takes place between the Initial settlement statement at trade date plus 3 business days and Recalculation 2, which is the trade date, plus 55 business days. The Initial statement at plus 3 business days has historically been of low settlement quality, and does not utilize meter data or price corrections. NCPA settles activity with Members through the All Resources Bill (ARB) in a timeline that closely mirrors the CAISO's settlement timeline. The majority of actual cash clearing takes place between the Pre-Bill and Adjustment 3, which mirrors Recalculation 2 of the trade date plus 55 business days. In order to stabilize cash flow NCPA has put measures in place to mask low settlement quality of CAISO Initial statements.

The proposed CAISO timeline change will be to move the Initial statement to trade date plus 9 business days, with Recalculation 1 being the trade date plus 70 business days, Recalculation 2 being the trade date plus 12 months, Recalculation 3, the trade date plus 21 months, and Recalculation 4 being trade date plus 24 months. NCPA staff analysis' is that this proposal will produce generally favorable improvements in CAISO, and the market participant financial

clearing relationship. NCPA believes that Initial statements will be much more substantive and reflective of a more complete picture. While the proposal does create improvements to CAISO-NCPA clearing, it does introduce new challenges for NCPA-Member clearing. Moving the Initial settlements from trade date plus 3 business days to trade date plus 9 business days creates a time crunch for the ARB preparation. Because of this time crunch, a potential solution could be moving the ARB back by one month. However, staff believe this would be a step backwards and could create harm for Members. Stakeholder comments are due to the CAISO by September 6. Please contact staff for specific feedback to provide to the CAISO. CAISO will publish the final draft Thursday, September 19, with Board approval by mid-November 2019. The earliest implementation for this initiative would be spring 2020. Members have asked to bring this item back in October with a better potential solution.

**11. Combined Integrated Resource Plan 2019 Annual Update** – NCPA provided notice to the Facilities Committee, a public committee, that the 2019 Combined Integrated Resource Plan Annual Update was filed with Western on June 28, 2019, on behalf of the NCPA Pool Members. A copy of the report has been published to NCPA Connect.

**12. CY 2020 NCPA Capacity Pool Rates** – Staff presented background information and was seeking a recommendation for approval of the Resource Adequacy capacity rates, to be used in the NCPA Capacity Pool during calendar year 2020. Each Pool Member has established a Resource Adequacy Program that works in conjunction with the CAISO Resource Adequacy Program. To enable efficient transfers of Resource Adequacy Capacity between the Pool Members, NCPA developed the Capacity Pool that is fully described in Pooling Agreement Schedule 4. Pursuant to Section 3.8 of Pooling Agreement Schedule 4, capacity pricing for both system and local area capacity will be developed annually, and will be established pursuant to Commission adoption and approval. Prices may be developed by one of the following methods, or a combination of these including a negotiated price, a market price survey, or the CAISO backstop procurement proxy value.

Motion: A motion was made by Shiva Swaminathan and seconded by Tikan Singh recommending Commission approval, subject to an alternative recommendation as may be provided by the NCPA Pooling Committee, establishing the following as the Resource Adequacy Capacity rates to be used in the CY 2020 NCPA Capacity Pool:

- Local Capacity = \$5.50 / kW-Month (May 2020 – September 2020); and, \$5.07 / kW-Month (January 2020 – April 2020 and October 2020 – December 2020)
- System Capacity = \$5.00 / kW-Month (May 2020 – September 2020); and, \$4.57 / kW-Month (January 2020 – April 2020 and October 2020 – December 2020)
- Flexible Capacity Attribute = \$0.50 / kW-Month

A vote was taken by roll call: YES = Alameda, Gridley, Lodi, Lompoc, Palo Alto, Port of Oakland, Roseville, and Santa Clara. ABSTAIN = TID. The motion passed.

**13. NID Services Agreement** – NCPA staff reviewed terms and conditions for development of a Services Agreement between NCPA and Nevada Irrigation District (NID). NID issued a RFI on April 9, 2019, for energy generation at their Deer Creek Powerhouse. Services requested by NID included purchase of the project output, and/or scheduling and dispatch services. NCPA responded to NID's RFI with a Statement of Qualifications on April 30, 2019. Then participated in an interview May 31, 2019. NCPA submitted a Services Offer to NID July 8, 2019. NID formally selected NCPA's offer September 3, 2019.

The project output is approximately 17,000 MWh annually. NCPA also submitted an offer to purchase RPS energy, and resource adequacy capacity on behalf of Lompoc. NID is seeking an initial term of 2 years for services. The services proposal will include dispatch and scheduling

services for the initial 2 years with an automatic extension. The structure of the services agreement will be flexible, to enable adding additional capacity. Total capacity output for the project is 82.2 MW. Next steps include developing an NDA for negotiations, presenting a draft services agreement to NID for review, and seeking direction from the Facilities Committee for Commission approval.

**14. Clean Energy Savings Initiative Program (CESI)** – Staff opened this item for discussion purposes with members who may be interested in moving forward with the next steps of this program. A working group of NCPA staff and Members received an overview of the CESI program September 3, from the Agency’s financial advisor, PFM. Staff presented the CESI overview to the Committee. Seven Members of the working group were included in the original presentation September 3. This is a JPA structure, and is working through the discovery phase.

This program involves tax-exempt compliance commodity prepayments. Tax-exempt natural gas and power prepayments are an IRS approved financing that allows municipal utilities to achieve savings by using their access to tax exemption to prepay for the commodity. These transactions have been around since the 1990s. Prepaid commodity transactions combine tax-exempt financing with a series of physical and financial contracts. They can be used for market power, renewable contracts, and natural gas. While savings will be created through these payments, there is also risk involved with this opportunity. SCPA is in the process of getting this implemented. Currently they are going through documentation, and renewable portfolio commitment. Staff will research this program further, and bring this item back to the Committee at a later date.

**15. Planning and Operations Update –**

- SFWPA PPA Negotiations Update – NCPA submitted an updated offer to SFWPA August 29, 2019, which is currently being reviewed by SFWPA. NCPA staff is currently working on a draft PPA for discussion purposes, including pricing and services.
- Western Base Resource Contract Review – Staff will attend the meeting scheduled September 6, to review the proposed Western Base Resource Contract beginning January 1, 2025.
- Modified NCPA Capacity Pool Structure – Staff is working on a change to Schedule 4 of the Pooling Agreement regarding a balancing requirement.
- Monitoring CAISO Initiatives – DAME, RA Enhancements, Hybrid Resources, and others.
- CCA Procedure Review – Staff are meeting and working with the CCA’s on getting procedures in place.

**16. Schedule next meeting date** – The next regular Facilities Committee meeting is scheduled for October 2, 2019.

**ADJOURNMENT**

The meeting was adjourned at 12:32 pm.



**Northern California Power Agency  
September 4, 2019 Facilities Committee Meeting  
Attendance List**

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

<u>MEMBER</u>	<u>NAME</u>
ALAMEDA	
BART	
BIGGS	
GRIDLEY	
HEALDSBURG	
LODI	<i>Jwayo Chwang</i>
LOMPOC	<i>Sukhan Singh</i>
PALO ALTO	
PLUMAS-SIERRA REC	
PORT OF OAKLAND	
REDDING	
ROSEVILLE	<i>Basil Wang</i>
SANTA CLARA	<i>Basil Wang</i>
TID	
UKIAH	