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Minutes

Date: September 12, 2018
To: NCPA Facilities Committee
From: Carrie Pollo
Subject: September 5, 2018 Facilities Committee Meeting Minutes

- 1. Call meeting to order & Roll Call** – The meeting was called to order by William Forsythe, Representative from the City of Roseville. A sign-in sheet was passed around. Attending via teleconference and/or on-line presentation were Debbie Whiteman and Alan Hanger (Alameda), Paul Eckert (Gridley), Shiva Swaminathan (Palo Alto), Jared Carpenter (Port of Oakland), and Steve Hance (Santa Clara). Those attending in person are listed on the attached Attendee Sign-in Sheet. Committee Representatives from BART, Biggs, Healdsburg, Lompoc, Plumas-Sierra, Redding, TID, and Ukiah were absent. A quorum of the Committee was not established.

PUBLIC FORUM

No public comment.

- 2. Approve minutes from the August 1, 2018 Facilities Committee Meeting, and the August 14, 2018 Special Facilities Committee Meeting** – Since there was not a quorum of the Committee, no action was taken. These minutes will be taken to the next Facilities Committee Meeting on October 3, 2018 for approval.
- 3. All Generation Services Facilities, Members, SCPPA – Advanced Turbine Support, LLC MTCSA** – Staff presented background information and was seeking a recommendation for Commission approval of a Multi-Task Consulting Services Agreement with Advanced Turbine Support, LLC for borescope inspections and non-destructive testing services, with a not to exceed amount of \$250,000, for use at all facilities owned and/or operated by NCPA, its Members, SCPPA, and SCPPA Members. All purchase orders issued pursuant to the agreement will be charged against approved Annual Operating Budgets. A draft Commission Staff Report and the draft agreement were available for review. This is an enabling agreement with no commitment of funds. The current agreement is expiring.

The general consensus of the Facilities Committee recommends Commission approval authorizing the General Manager or his designee to enter into a Multi-Task Consulting Services Agreement with Advanced Turbine Support, LLC for borescope inspection and non-destructive

testing services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$250,000.00 over five years, for use at all facilities owned and/or operated by NCPA, its Members, by the Southern California Public Power Authority ("SCPPA"), or by SCPPA Members. This item will move forward to the next Commission Meeting September 28, 2018, and placed on the consent calendar.

4. **All Generation Services Facilities, Members, SCPPA – Ernie and Sons Scaffolding dba Unique Scaffold MTGSA** – Staff presented background information and was seeking a recommendation for Commission approval of a Multi-Task General Services Agreement with Ernie and Sons Scaffolding dba Unique Scaffold for scaffolding services, with a not to exceed amount of \$2,000,000, for use at all facilities owned and/or operated by NCPA, its Members, SCPPA, and SCPPA Members. All purchase orders issued pursuant to the agreement will be charged against approved Annual Operating Budgets. A draft Commission Staff Report and the draft agreement were available for review. This is an enabling agreement with no commitment of funds.

The general consensus of the Facilities Committee recommends Commission approval authorizing the General Manager or his designee to enter into a Multi-Task Consulting Services Agreement with Advanced Turbine Support, LLC for borescope inspection and non-destructive testing services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$250,000.00 over five years, for use at all facilities owned and/or operated by NCPA, its Members, by the Southern California Public Power Authority ("SCPPA"), or by SCPPA Members. This item will move forward to the next Commission Meeting September 28, 2018, and placed on the consent calendar.

5. **All Generation Services Facilities, Members, SCPPA – Fairchild & Wells dba Fairchild and Associates MTCSA** – Staff presented background information and was seeking a recommendation for Commission approval of a Multi-Task Consulting Services Agreement with Fairchild & Wells, Inc. dba Fairchild and Associates for well related consulting services, with a not to exceed amount of \$500,000, for use at all facilities owned and/or operated by NCPA, its Members, SCPPA, and SCPPA Members. All purchase orders issued pursuant to the agreement will be charged against approved Annual Operating Budgets. A draft Commission Staff Report and the draft agreement were available for review. This is an enabling agreement with no commitment of funds.

The general consensus of the Facilities Committee recommends Commission approval authorizing the General Manager or his designee to enter into a Multi-Task Consulting Services Agreement with Fairchild & Wells, Inc. dba Fairchild & Associates for well inspections and testing services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$500,000.00 over five years, for use at all facilities owned and/or operated by NCPA, its Members, by the Southern California Public Power Authority ("SCPPA"), or by SCPPA Members. This item will move forward to the next Commission Meeting September 28, 2018, and placed on the consent calendar.

6. **All Generation Services Facilities, Members, SCPPA – Burns & McDonnell 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 Burns & McDonnell, updating the not to exceed amount of from \$1,000,000 to \$4,000,000, for use at all facilities owned and/or operated by NCPA, its Members, SCPPA, and SCPPA Members. All purchase orders issued pursuant to the agreement will be charged against approved Annual Operating Budgets. A draft Commission Staff Report and the draft

agreement were available for review. This is an enabling agreement with no commitment of funds. This amendment is to increase the not to exceed dollar amount only, as the agreement is currently low on funds. There is no additional time needed for the agreement.

The general consensus of the Facilities Committee recommends Commission approval authorizing the General Manager or his designee to enter into a First Amendment to Multi-Task General Services Agreement with Burns and McDonnell Engineering Company, Inc., with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$4,000,000 over five years, for use at all facilities owned and/or operated by NCPA, its Members, SCPPA, or SCPPA Members. This item will move forward to the next Commission Meeting September 28, 2018, and placed on the consent calendar.

7. **All Generation Services Facilities, Members, SCPPA – ABB, Inc. MTGSA** – Staff provided background information and was seeking a recommendation for Commission approval of a Multi-Task General Services Agreement with ABB, Inc., for generator inspection, testing, troubleshooting, winding, and repair, with a not to exceed amount of \$10,000,000, for use at all facilities owned and/or operated by NCPA, its Members, SCPPA, and SCPPA Members. All purchase orders issued pursuant to the agreement will be charged against approved Annual Operating Budgets. A draft Commission Staff Report and the draft agreement were available for review. This is an enabling agreement with no commitment of funds.

ABB purchased the GE Industrial Solutions group, which was instrumental in getting the plant back up and running in the past. Concerns regarding the high not to exceed amount of \$10,000,000, were discussed among the Committee. Typically NCPA agreements do not have this high of dollar amount. All POs will be processed per NCPA's Purchase Order policy with a clear amount stated on each PO. This verbiage will be added to the Staff Report. All POs over \$250,000 will come back through the Facilities Committee for a recommendation of Commission approval.

The general consensus of the Facilities Committee recommends Commission approval authorizing the General Manager or his designee to enter into a Multi-Task General Services Agreement with ABB, Inc. (formerly GE International) for generator inspection, testing, troubleshooting and repair services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$10,000,000 over five years for use at all facilities owned and/or operated by NCPA, its Members, by the Southern California Public Power Authority ("SCPAA"), or by SCPAA Members. This item will move forward to the next Commission Meeting September 28, 2018, and placed on the consent calendar.

8. **All Generation Services Facilities, Members, SCPPA – Nozomi Networks, Inc. MTCSA** – Staff provided background information and was seeking a recommendation for Commission approval of a Multi-Task Consulting Services Agreement with Nozomi Networks, Inc., for cyber security consulting, vulnerability testing and solutions, with a not to exceed amount of \$500,000, for use at all facilities owned and/or operated by NCPA, its Members, SCPPA, and SCPPA Members. All purchase orders issued pursuant to the agreement will be charged against approved Annual Operating Budgets. A draft Commission Staff Report and the draft agreement were available for review. This is an enabling agreement with no commitment of funds.

The general consensus of the Facilities Committee recommends Commission approval authorizing the General Manager or his designee to enter into a Multi-Task General Services Agreement with Nozomi Networks, Inc. for cyber security consulting, vulnerability testing and solutions, 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, its Members, by the Southern California Public Power Authority ("SCPPA"), or by SCPPA Members. This item will move forward to the next Commission Meeting September 28, 2018, and placed on the consent calendar.

- 9. All Generation Services Facilities, Members, SCPPA – Western Hydrologic Consulting, LLP MTCSA** – Staff provided background information and was seeking a recommendation for Commission approval of a Multi-Task Consulting Services Agreement with Western Hydrologic Consulting LLP, for environmental regulatory compliance reporting, forecasting/modeling, and design services, with a not to exceed amount of \$1,000,000, for use at all facilities owned and/or operated by NCPA, its Members, SCPPA, and SCPPA Members. All purchase orders issued pursuant to the agreement will be charged against approved Annual Operating Budgets. A draft Commission Staff Report and the draft agreement were available for review. This is an enabling agreement with no commitment of funds. A new firm developed after consultants left the company ECORP, which has helped with previous work. ECORP will still be able to help with sub work.

The general consensus of the Facilities Committee recommends Commission approval authorizing the General Manager or his designee to enter into a Multi-Task Consulting Services Agreement with Western Hydrologics, LLP for regulatory compliance advice, and complex engineering modeling services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$1,000,000 over five years for use at all facilities owned and/or operated by NCPA, its Members, by the Southern California Public Power Authority ("SCPPA"), or by SCPPA Members. This item will move forward to the next Commission Meeting September 28, 2018, and placed on the consent calendar.

- 10. All Generation Services Facilities, Members, SCPPA – Petrochem Insulation, Inc. MTGSA** – Staff presented background information and was seeking a recommendation for Commission approval of a Multi-Task General Services Agreement with Petrochem Insulation, Inc., for pipe maintenance, including sound abatement, and scaffolding, with a not to exceed amount of \$500,000, for use at all facilities owned and/or operated by NCPA, its Members, SCPPA, and SCPPA Members. All purchase orders issued pursuant to the agreement will be charged against approved Annual Operating Budgets. A draft Commission Staff Report and the draft agreement were available for review. This is an enabling agreement with no commitment of funds.

The general consensus of the Facilities Committee recommends Commission approval authorizing the General Manager or his designee to enter into a Multi-Task General Services Agreement with Petrochem Insulation, Inc. for maintenance to include but not limited to insulation on steam piping and tanks, noise abatement, scaffolding, fireproofing, and other necessary 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, its Members, by the Southern California Public Power Authority (SCPPA), or by SCPPA Members. This item will move forward to the next Commission Meeting September 28, 2018, and placed on the consent calendar.

- 11. All Generation Services Facilities, Members, SCPPA – Rodney Bray MTCSA** – Staff presented background information and was seeking a recommendation for Commission approval of a Multi-Task Consulting Services Agreement with Rodney Bray, for consulting services and supervision, with a not to exceed amount of \$500,000, for use at all facilities owned and/or operated by NCPA, its Members, SCPPA, and SCPPA Members. All purchase

orders issued pursuant to the agreement will be charged against approved Annual Operating Budgets. A draft Commission Staff Report and the draft agreement were available for review. This is an enabling agreement with no commitment of funds.

NCPA General Manager, Randy Howard, requested this agreement not be opened up to NCPA Members or SCPPA. This recommended change will be incorporated into the Staff Report. NCPA General Counsel has tightened up all insurance requirements, especially at the plant facilities, with no flexibility. More drilling contracts will be coming through the Committee due to the P-Site Well Workovers. It was also recommended not to use any more Sole Proprietors for Geothermal work.

The general consensus of the Facilities Committee recommends Commission approval authorizing the General Manager or his designee to enter into a Multi-Task General Services Agreement with Rodney Bray for assisting in development of new or production well workover, interpretation of well analysis reports and supervision during drilling operations, 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. This item will move forward to the next Commission Meeting September 28, 2018, and placed on the consent calendar.

12. NCPA Geothermal Facility – P-Site Well Workover Project – Staff reviewed the proposed P-Site Well Workover Project, including additional wells which may need work, with an estimated timeline, and budget for this project.

The slope at the P-Site well pad has been sliding downhill for the last 30 years. Damage on the P-Site wells is being accelerated due to external corrosion. Staff is recommending 4 P-Site well workovers during the next couple of years. Contracts need to be established for drilling on two wells, with an option to add work on two more wells. The current plan is to perform two well workovers for P-9 and P-4, beginning in Spring 2019 with completion by the end of FY 2019. Then possibly doing two more wells, P-7 and P-5, the beginning of FY 2020 while the drill rig is still on site. Keeping the drill rig on site saves mobilization and demobilization of the drill rig, which saves \$300,000. Pricing is also better for 4 wells versus 2 wells.

The funding plan needs to be developed with the current budget of \$6m. Two more wells have gone bad since the budget was approved. More money may need to be approved to have the work completed. Loss during the well workovers will be approximately 5MW in generation. Overall loss will occur within 5 years unless workovers are performed.

13. Generation Services 2019 Outage Schedule – Staff reviewed the 2019 Outage Schedule for NCPA's CT, Geo, and Hydro facilities, and was seeking a recommendation for Facilities Committee approval. Major outages include the Collierville Unit 1 generator rewind at Hydro, from August 31 through December 8, as well as the Geo Plant 1 Units 1 & 2 overhauls, during April and May. Other outages include routine maintenance.

The general consensus of the Facilities Committee recommends approval of the 2019 Outage Schedule for NCPA's CT, Geo, and Hydro facilities. The outage schedule needs to be filed with the CAISO by October 15, 2018. Staff will file as soon as possible.

14. All NCPA Facilities, Members, SCPPA – MFP Connect, LLC MTCSA – Staff presented background information and was seeking a recommendation for Commission approval of a five-year Multi-Task Consulting Services Agreement with MFP Connect, LLC for energy workforce

services on an interim basis and to mentor staff for success in public power, with a not to exceed amount of \$1,000,000, for use at all facilities owned and/or operated by NCPA, its Members, Southern California Public Power Authority (“SCPPA”), and SCPPA members. All purchase orders issued pursuant to the agreement will be charged against approved Annual Operating budgets and/or passed through the Support Services Program. A draft Commission Staff Report and the draft agreement were available for review. This is an enabling agreement with no commitment of funds.

The general consensus of the Facilities Committee recommends Commission approval authorizing the General Manager or his designee to enter into a Multi-Task General Services Agreement with MFP Connect, LLC for the provision of energy workforce services to fill critical skills gaps on an interim basis and mentor staff for success in public power, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$1,000,000 over five years for use at all facilities owned and/or operated by NCPA, its Members, by the Southern California Public Power Authority (“SCPPA”), or by SCPPA Members. This item will move forward to the next Commission Meeting September 28, 2018, and placed on the consent calendar.

15. RA Bidding Requirements – Staff presented and reviewed the STIG RA Bidding requirements, and the status of the Lodi CT run hours.

STIG may be sold as RA capacity to non-MSSA Load Serving Entities. Certain requirements differ for Day Ahead Markets (DAM), Hour Ahead Markets (HAM), and Real Time Markets (RTM). STIG is not a short-start unit, so is not obligated to bid into the RTM. To avoid the RTM cycling, and 5-minute ramping, NCPA elected to stop bidding STIG into the RTM when no DAM award is issued. The CAISO treated the no RTM bid as a lack of performance, with potential RAAIM penalties. This is inconsistent with the CAISO Best Practice Manual (BPM). To avoid the RAAIM penalties, NCPA reinstated the RTM bidding of STIG, until further clarification is received from CAISO. NCPA has filed a formal dispute with CAISO. Penalties will be allocated to the Member that sold the RA. NCPA will keep the Committee updated with the CAISO’s response to the formal dispute.

The Lodi CT operation of the gas turbine shall be limited to less than 200 hours during any one year, except in response to a CAISO declared system emergency, or transmission emergency. The total operation hours is limited to 877 per any calendar year. If operated in excess of the 200 hour limit, the unit is subject to emission penalties, which are approximately \$70/MWh. Currently NCPA has no offset for this penalty. The current run hours are 137. The run hours may be exhausted during the balance of CY 2018. The CT was built to provide capacity for Members. Staff recommends bidding at the maximum rate and hours. Members will need to procure capacity. NCPA will research the CAISO settlement process if the 200 run hours are exhausted for the unit.

16. Planning and Operations Update –

Plant Updates

CTs – The CT1 Alameda U2 Diesel had water leaking into the exhaust system. When inspected it was discovered there was a broken head. This was a major loss for the unit. The unit has been restored with a new head, and new cylinders. Since there is not a lot of instrumentation, the unit will be observed while running. The unit is back in service.

Hydro – The Donnell Fire has been burning for 5 weeks now, since August 1, 2018. The fire is next to New Spicer, but not affecting NCPA operations, with lots of granite around the reservoir

this is not much of a concern. There is a large fire crew camp near Lake Alpine with 30-50 personnel. The only impact is the boat ramp, as well as debris and sediment into the reservoir. Currently the fire is 85% contained. The Collierville crane refurb has been completed, and is now being used. Collierville Unit 2 is now out of service for the generator rewind, starting yesterday, September 4, and through approximately December 21. Contractors are on site, and have begun work disassembling the stator. Staff will update the Committee next month with progress of the rewind.

Geo – There were no safety issues over the past month at Geo. The generation is currently 1% over the predicted forecast for the year. The public works project for the road repairs is almost completed. Abatement will be up and running soon, and electrical work should be finished by November. Contracts are being negotiated for next year’s well workovers. There is an entire management team now in place at Geo.

Solar Project – Phase 1 of this project has been completed, with 5 project participants including Alameda, Healdsburg, Lodi, Plumas-Sierra, and Redding fully engaged. Ukiah and Truckee Donner PUD are interested as well. Most members are in Phase 2B, site screening and development. The original plan was to have Phase 2B completed by September. B&M will re-evaluate the schedule, since the site screening took longer than expected. NCPA is currently awaiting IRS clarification to qualify for full ITC. The current schedule is to begin construction by the end of 2019, with service by the end of 2023.

- Scheduling services began September 1, 2018 with San Jose Clean Energy. Things are going smoothly with the integration of these services.
- NCPA has setup a meeting to engage with PG&E regarding terminating the Co-Tenancy Agreement. As well, regular monthly meetings will be scheduled going forward to discuss outstanding issues. Staff is working on a standing agenda with regular updates, and improving the process for outages.
- Meetings with South Feather Water and Power (SFWAP) continue as they express much interest in services from NCPA, when their contract expires with PG&E in 2020. These services would be very similar to Merced Irrigation District (MEID). Staff will be touring the SFWAP facilities September 19.
- NCPA would like to setup an in-person meeting with the CAISO to get answers to several pending questions, including the \$70MWh price.
- The NCPA 2019 Plant Outage Schedule will be filed at the CAISO next week.

17. Schedule Next Meeting Date – The next regular Facilities Committee meeting is scheduled for October 3, 2018.

ADJOURNMENT

The meeting was adjourned at 11:34 am.

**Northern California Power Agency
September 5, 2018 Facilities Committee Meeting
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	<i>Siago Chang</i>
LOMPOC	
PALO ALTO	
PLUMAS-SIERRA REC	
PORT OF OAKLAND	
REDDING	
ROSEVILLE	<i>W. H. A.</i>
SANTA CLARA	
TID	
UKIAH	