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# Minutes

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**Date:** October 9, 2019  
**To:** NCPA Facilities Committee  
**From:** Carrie Pollo  
**Subject:** October 2, 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 9:06 am. A sign-in sheet was passed around. Attending via teleconference and/or on-line presentation were Alex Smith, and Vidhi Chawla (Alameda), Paul Eckert, (Gridley), Shiva Swaminathan (Palo Alto), and Paulo Apolinario, Basil Wong, and Steve Hance (Santa Clara). Those attending in person are listed on the attached Attendee Sign-in Sheet. Committee Representatives from BART, Biggs, Healdsburg, Plumas-Sierra, Port of Oakland, Redding, TID, and Ukiah were absent. A quorum of the Committee was not established.

## **PUBLIC FORUM**

No public comment.

- 2. Approve Minutes from the September 4, 2019 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 November 6, 2019 for approval.

**All NCPA Facilities, Members, SCLPPA – Utility Services, Inc. MTPSA – General Manager,** Randy Howard, presented background information and was seeking a recommendation for Commission approval of a five-year Multi-Task Professional Services Agreement with Utility Services, Inc. (USI) for North American Electric Reliability Corporation (NERC) related regulatory compliance services, with a not to exceed amount of \$1,000,000, for use at all facilities owned and/or operated by the Northern California Power Agency (NCPA), NCPA Members, Southern California Public Power Authority (SCPPA), and SCPPA Members. This is a renewal agreement with an existing vendor. It is an enabling agreement with no commitment of funds. USI specializes in NERC compliance requirements and audits, so will be helping with the low to medium impact requirements for the Agency. With the possibility of new Power Management services agreements, the Agency will likely need to comply with medium impact requirements. All purchase orders issued pursuant to the agreement will be charged against approved Annual Operating Budgets. A draft Commission Staff Report and agreement were available for review.

No formal action was taken due to the lack of a quorum, however, the general consensus of the Facilities Committee recommends Commission approval authorizing the General Manager or his designee to enter into a Multi-Task Professional Services Agreement with Utility Services, Inc. for NERC regulatory compliance services, with any non-substantial changes recommended and approved by NCPA General Counsel, which shall not exceed \$1,000,000 over five years,

for use at all facilities owned and/or operated by NCPA, NCPA Members, SCPPA, or by SCPPA Members. This item will move forward to the next Commission Meeting October 24, 2019, and placed on the consent calendar.

- 3. All Generation Services Facilities, Members, SCPPA – Utilicast, LLC First Amendment to MTCSA** – Staff provided background information and was seeking a recommendation for Commission approval of a First Amendment to the Multi-Task Consulting Services Agreement with Utilicast, LLC for consulting services related to CAISO rules and procedures, increasing the not to exceed amount from \$200,000 to \$1,000,000, for continued use at all facilities owned and/or operated by the Northern California Power Agency (NCPA), NCPA Members, the Southern California Public Power Authority (SCPPA), and SCPPA Members. All purchase orders will be issued following NCPA procurement policies and procedures. A draft Commission Staff Report and First Amendment with the original agreement were available for review.

On December 5, 2018, NCPA entered into a five year Multi-Task Consulting Services Agreement with Utilicast, LLC for an amount not to exceed \$200,000. This initial agreement was intended primarily for a NCPA project related to MSG modeling requirements. This initial work exhausted a majority of the funds available under this agreement. Additionally, during the process of the MSG modeling, it became clear that completion of the NCPA Automated Dispatching Systems (NADS) rewrite is necessary in order for MSG implementation. NCPA's Information Services department concluded that Utilicast's experience with NCPA's system and general expertise on the subject makes them the best fit for the NADS rewrite. This is a great resource.

No formal action was taken due to the lack of a quorum, however, the general consensus of the Facilities Committee recommends Commission approval authorizing the General Manager or his designee to enter into a First Amendment to the Multi-Task General Services Agreement with Utilicast, LLC, with any non-substantial changes as recommended and approved by the NCPA General Counsel, increasing the not to exceed amount from \$200,000 to \$1,000,000, for continued use at all facilities owned and/or operated by NCPA, NCPA Members, SCPPA, or by SCPPA Members. This item will move forward to the next Commission Meeting October 24, 2019, and placed on the consent calendar.

- 4. All Generation Services Facilities – Thatcher Company of California, Inc. MTEMS** – Staff provided background information and was seeking a recommendation for Commission approval of a five-year Multi-Task Agreement for Purchase of Equipment, Materials and Supplies with Thatcher Company of California, Inc. for chemical purchases, with a not to exceed amount of \$2,500,000, for use at all facilities owned and/or operated by the Northern California Power Agency (NCPA). Since this agreement is for bulk chemical purchases it will be for use at NCPA facilities only. This is a renewal agreement with an existing vendor. It is an enabling agreement with no commitment of funds. All purchase orders will be issued following NCPA procurement policies and procedures. A draft Commission Staff Report and agreement were available for review.

No formal action was taken due to the lack of a quorum, however, the general consensus of the Facilities Committee recommends Commission approval authorizing the General Manager or his designee to enter into a Multi-Task Agreement for Purchase of Equipment, Materials and Supplies with Thatcher Company of California, Inc. for chemical purchases, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$2,500,000 over five years, for use at all facilities owned and/or operated by NCPA. This item will move forward to the next Commission Meeting October 24, 2019, and placed on the consent calendar.

- 5. All Generation Services Facilities, Members, SCPPA – ANZGT Field Services, LLC MTGSA** – Staff provided background information and was seeking a recommendation for Commission approval of a five-year Multi-Task General Services Agreement with ANZGT Field Services, LLC for gas turbine maintenance services, with a not to exceed amount of \$2,500,000, for use at all facilities owned and/or operated by the Northern California Power Agency (NCPA), NCPA Members, the Southern California Public Power Authority (SCPPA), and SCPPA Members. This is a renewal agreement with an existing vendor. It is an enabling agreement with no commitment of funds. All purchase orders will be issued following NCPA procurement policies and procedures. A draft Commission Staff Report and agreement were available for review.

No formal action was taken due to the lack of a quorum, however, 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 ANZGT Field Services, LLC for gas turbine related maintenance services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$2,500,000 over five years, for use at all facilities owned and/or operated by NCPA, NCPA Members, SCPPA, or by SCPPA Members. This item will move forward to the next Commission Meeting October 24, 2019, and placed on the consent calendar.

- 6. All Generation Services Facilities, Members, SCPPA – Environex, Inc. MTPSA** – Staff presented background information and was seeking a recommendation for Commission approval of a five-year Multi-Task Professional Services Agreement with Environex, Inc. for catalyst testing related services, with a not to exceed amount of \$1,000,000, for use at all facilities owned and/or operated by the Northern California Power Agency (NCPA), NCPA Members, the Southern California Public Power Authority (SCPPA), and SCPPA Members. This is a renewal agreement with an existing vendor. It is an enabling agreement with no commitment of funds. All purchase orders will be issued following NCPA procurement policies and procedures. A draft Commission Staff Report and agreement were available for review.

No formal action was taken due to the lack of a quorum, however, the general consensus of the Facilities Committee recommends Commission approval authorizing the General Manager or his designee to enter into a Multi-Task Professional Services Agreement with Environex, Inc. for catalyst related testing 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, NCPA Members, SCPPA, or by SCPPA Members. This item will move forward to the next Commission Meeting October 24, 2019, and placed on the consent calendar.

- 7. All Generation Services Facilities – Hill Brothers Chemical Company MTEMS** – Staff presented background information and was seeking a recommendation for Commission approval of a five-year Multi-Task Agreement for Purchase of Equipment Materials and Supplies with Hill Brother Chemical Company for chemical purchases, with a not to exceed amount of \$2,500,000, for use at all facilities owned and/or operated by the Northern California Power Agency (NCPA). Since this agreement is for bulk chemical purchases it will be for use at NCPA facilities only. This is a renewal agreement with an existing vendor. It is an enabling agreement with no commitment of funds. All purchase orders will be issued following NCPA procurement policies and procedures. A draft Commission Staff Report and agreement were available for review.

No formal action was taken due to the lack of a quorum, however, the general consensus of the Facilities Committee recommends Commission approval authorizing the General Manager or his designee to enter into a Multi-Task Agreement for Purchase of Equipment, Materials and Supplies with Hill Brothers Chemical Company for chemical purchases, with any non-substantial

changes recommended and approved by the NCPA General Counsel, which shall not exceed \$2,500,000 over five years, for use at all facilities owned and/or operated by NCPA. This item will move forward to the next Commission Meeting October 24, 2019, and placed on the consent calendar.

- 8. CT1 Alameda – Unit 2 Generator Major Overhaul Project** – Staff provided background information and was seeking a recommendation for Commission approval of the CT1 Alameda Unit 2 Generator Major Overhaul Project, with a not to exceed amount of \$440,000 (including contingency funds), to be charged against approved Annual Operating Budgets.

NCPA staff conducted an inspection and electrical testing on the Alameda Unit 2 generator to determine the operating condition and plan for a major outage based on findings. There are signs of oil seepage on the lower oil seals on the generator and gearbox. NCPA is currently monitoring for further degradation. The generator is also due for a routine maintenance overhaul.

Alameda Unit 2 was originally scheduled for an outage to complete routine maintenance work from March 2, 2020 through March 29, 2020. Staff is requesting that the Unit 2 outage schedule be revised to extend the completion date to April 17, 2020 due to the additional work required. Total cost of the work is estimated not to exceed \$440,000. This project is included in the current fiscal year budget for \$400,000 under the maintenance reserve account. An additional \$40,000 will come out of the fixed maintenance accounts. Cost allocation will be based on project participation percentages.

No formal action was taken due to the lack of a quorum, however, the general consensus of the Facilities Committee recommends authorizing the CT1 Alameda Unit 2 Generator Major Overhaul Project using Electrical Maintenance Consultants (EMC) and authorizing the General Manager or his designee to enter into agreements and to issue purchase orders to complete this work without further approval by the Commission, with a total cost not to exceed \$440,000. This item will move forward to the next Commission Meeting October 24, 2019, and placed on the consent calendar.

- 9. All Generation Services Facilities, Members, SCPPA – Team Industrial Services MTGSA** – Staff presented background information and was seeking a recommendation for Commission approval of a five-year Multi-Task General Services Agreement with Team Industrial Services, Inc. for specialty mechanical and inspection services, with a not to exceed amount of \$500,000, for use at all facilities owned and/or operated by the Northern California Power Agency (NCPA), NCPA Members, the Southern California Public Power Authority (SCPPA), and SCPPA Members. This is a renewal agreement with an existing vendor. It is an enabling agreement with no commitment of funds. All purchase orders will be issued following NCPA procurement policies and procedures. A draft Commission Staff Report and agreement were available for review.

No formal action was taken due to the lack of a quorum, however, 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 Team Industrial Services, Inc. for specialty mechanical, 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. This item will move forward to the next Commission Meeting October 24, 2019, and placed on the consent calendar.

- 10. All Generation Services Facilities – Matheson Tri-Gas, Inc. MTEMS** – Staff was seeking a recommendation for Commission approval of a five-year Multi-Task Agreement for Purchase of

Equipment, Materials and Supplies with Matheson Tri-Gas, Inc. for gases, welding supplies, and cylinder rental services, with a not to exceed amount of \$1,000,000, for use at all facilities owned and/or operated by the Northern California Power Agency (NCPA). Since this agreement will be used for CEMS EPA gas purchases, it will be for use at NCPA facilities only. This is a renewal agreement with an existing vendor. It is an enabling agreement with no commitment of funds. All purchase orders will be issued following NCPA procurement policies and procedures. A draft Commission Staff Report and agreement were available for review.

No formal action was taken due to the lack of a quorum, however, the general consensus of the Facilities Committee recommends Commission approval authorizing the General Manager or his designee to enter into a Multi-Task Agreement for Purchase of Equipment, Materials and Supplies with Matheson Tri-Gas, Inc., for CEMS EPA gas purchases, 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 with any changes approved by General Counsel. This item will move forward to the next Commission Meeting October 24, 2019, and placed on the consent calendar.

- 11. Cooperative Response Center, Inc. Associate Membership Agreement** – Staff provided background information and was seeking a recommendation for Commission approval of an Associate Membership Agreement between the Northern California Power Agency (NCPA) and Cooperative Response Center, Inc. (CRC). CRC provides customer service representative support services, including interactive voice response technology, for after-hour, overflow, and/or 24-hour inbound and/or outbound call answering and related dispatching. NCPA Members can subscribe to these services through NCPA's Associate Membership. All purchase orders will be issued following NCPA procurement policies and procedures. This is a new agreement, which was requested by multiple NCPA Members interested in utilizing this vendor's services. This Associate Membership Agreement does not commit NCPA to any expenditure of funds. A draft Commission Staff Report and agreement were available for review.

No formal action was taken due to the lack of a quorum, however, the general consensus of the Facilities Committee recommends Commission approval authorizing the General Manager or his designee to enter into an Associate Membership Agreement with Cooperative Response Center, Inc. (CRC) for utility customer service representative support services, with any non-substantial changes recommended and approved by the NCPA General Counsel. NCPA Members can subscribe to these services through NCPA's Associate Membership, via the NCPA Support Services Program. This item will move forward to the next Commission Meeting October 24, 2019, and placed on the consent calendar.

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

**Hydro** – The Collierville Generator Unit 1 Rewind started August 5, 2019. The core work has been completed, and prepared for the winding installation one week ahead of schedule. Two sets of bars are being installed and undergoing braising. It will take 3-4 weeks to re-assemble the Stator, and test the alignment. Currently the unit is still scheduled to be released November 26, 2019. The Hydro Project Union Dam underwent masonry repairs, which is one of the oldest and most historical dams in California. Other Hydro accomplishments in September included NFDD annual maintenance, NSM3 & NSM intake annual maintenance, relocation of McKays Point Reservoir rim landslides power cable (coordination with USFS contractor), and CV-Bellota 230KV maintenance work with WAPA. The WAPA linemen placed plastic cones, as a deterrent, on the top of the power poles for the osprey nests. NCPA has an agreement with WAPA, which is a very valuable resource.

**CTs** – The September operations were very busy for both CT1 and CT2, including 18 actual starts plus 13 ghost starts, of 26 that were forecasted for CT1, bringing the FYTD to 105 total.

CT2 had 7 actual starts, with only 2 forecasted for a FYTD of 18. There was one forced outage, and one delayed start due to bleed valves. There is a planned outage scheduled for Alameda Unit 2 October 14 – 16, 2019 to install new bleed valves.

**Geo** – There were no safety incidents to report at Geo for the month of September. Geo staff conducted an emergency response exercise including a wildland fire drill, with a medical emergency. Vegetation management continues. The average net generation for September was 88.9 MW with an estimated total 64 GWhr. YTD net generation is 543 GWhr, which is 3.4% above forecasted. The Q-10 well workover removed a wellbore blockage, ran an injection test at 750 gpm, and installed a 5 ½ inch liner September 30, 2019. The cost to date of this workover is \$1.7 million, with \$1.8 million remaining for well Q-3, to repair parted casing. The Plant #2 Stretford Outage is scheduled for October 6 – 10, 2019 for annual maintenance, and switching to the new sulfur handling platform. The estimated loss in generation is 20MW.

**13. FY2019 Annual Billing Settlements Review** – Staff presented a draft of the FY2019 Annual Billing Settlement for the period of July 1, 2018 through June 30, 2019.

Current draft results for generation resources per project were reviewed. Results showed a Hydro deficit of \$71,000, which is a red flag, and shouldn't be there. Staff are checking into this. CAISO charges may have been higher than expected. Staff will pre-bill, and settle later. The Geo refund will be approximately \$120,000. CT1 has a deficit of \$766,000 due to outages. CT2 will have a refund of approximately \$95,000. The LEC project refund will be approximately \$861,000. Other historical refunds include management services, pass-through costs, and third party revenue. Staff will send out a final draft before the next UD meeting.

Next steps in the process will be to present the final billing settlements to the LEC PPC, November 4, to the Facilities Committee, November 6, and the UDs November 15. The final billing settlements is scheduled for Commission approval December 5, 2019.

**14. Overview of FY2021 Budget Process and Approach** – Staff presented an overview of the FY2021 Budget process and recommended operating budget directions.

Staff will continue with the same approach as in the past years reviewing draft budgets through the Facilities, LEC-PPC, and L&R Committees, the Utility Directors, with final approval by the NCPA Commission. Each year the budget is prepared on a project/program basis. Some issues impacting the FY2020/21 budget include union negotiated contracts with IBEW and HEA, for a 2.7% COLA, effective the first pay period in January 2021, the PERS employer cost increase from 10.819% to 11.395%, and the CPI index which was 1.7% as of August 2019. The pension and retiree medical plans should remain relatively flat.

Other issues impacting the FY 2020/21 budget include maintenance of assets, wildfire mitigation, and Power Management expansion. Maintenance of assets includes the McKays Cleanout reserve funding increase of \$1.25 million over FY20, and Geo projects that were deferred in FY20 due to the expected Hydro uplift. There has also been increased wildfire mitigation efforts to minimize risk and comply with AB 1054. The addition of Power Management (PM) services agreements, may require additional staff, possible control room expansion, and increased controls for changing from a low to medium impact entity. The addition of the services agreements will also bring in new revenues for the Members.

Recommendations include regular operating and maintenance costs for plant projects to target a 1.7% increase, vetted and reviewed by project participants through the Facilities Committee and LEC PPC. Salaries and benefits target a 5.2% increase, which includes a structure adjustment plus annual performance merits, based on negotiated contracts with unions. And, a request of new positions to balance current workloads, PM expansion, and compliance requirements. All other operating expenses will budget no more than a 1.7% increase from the

previous year's base budget. Staff will continue to refine budgets by aligning closer to the actuals.

**15. NID Services Agreement –** NCPA staff presented a draft Services Agreement between NCPA and Nevada Irrigation District (NID).

Staff have presented a Services Agreement, and separate REC/RA transaction confirmations, to NID for review. The Services Agreement has been modeled from the MEID Services Agreement. Lompoc would like to buy the output through a WSPP confirmation. The initial term will be two to five years, pending negotiation, with an automatic extension pending termination. The scope of services will include scheduling coordination services, control center services, and reliability standards compliance services. Compensation will be \$30,000 per year with 2% escalation each year. Initial services will be for the Deer Creek Powerhouse, a 5.7 MW small hydroelectric facility. Members requested services support be inserted into appendix A. The agreement can be amended to add additional resources and compensation. Staff would like to seek Commission approval in either October or December 2019, with integration of services estimated to start January 2020. NCPA technical staff will tour the project October 8.

**16. SFWPA Services Agreement and/or Power Purchase Agreement –** NCPA staff presented the structure of a draft Services Agreement between NCPA and South Feather Water and Power Agency (SFWPA), and the structure of a draft Purchase Power Agreement (PPA) between NCPA and SFWPA. Staff have presented a Services Agreement, and separate PPA, to SFWPA for review.

The Services Agreement has been modeled from the MEID Services Agreement. The initial term of a Services Agreement will be two to five years, pending negotiation, with an automatic extension pending termination. The scope of services will include scheduling coordination services, control center services, portfolio management and optimization services, and reliability standards compliance services. Compensation will be \$410,000 per year with 2.5% escalation each year. The South Feather Power Project is 123 MW.

The SFWPA PPA will be structured to purchase all output.

Staff currently plan to seek Commission approval in December 2019, which may involve a two-step process. Integration of services is estimated for July 2020. Staff are currently working through a technical review, and evaluating other impacts to the agency.

**17. Planning and Operations Update –**

- Cap-and-Trade Surrender Deadline – This report is due November 1, 2019. NCPA staff are working to prepare for the surrender event.
- PG&E PSPS Event – A PSPS alert was called September 23 –25, 2019. NCPA Dispatch sent an automated system notification. No Member load was lost with two units curtailed. Dispatch staff currently send out a message after they have received the PSPS notification from PG&E. Please contact NCPA staff with any questions and provide feedback. Additional language will be added to the notification clarifying the type of alert and which area will be affected.
- Annual CY 2020 Resource Adequacy Filing – Due October 31, 2019. The Pool Member capacity balance has been distributed. The NCPA Capacity Pool revisions will be presented to the Commission this month. Members have asked for an RA adjustment due to solar energy, between the hours of 12:00 pm – 6:00 pm. Staff will consider this option.
- Cotenancy Agreement Update – PG&E requested an amendment at FERC, which was denied. CDWR still owes money per the agreement. Parties in the agreement need to work out this conflict among each other. A meeting is scheduled this week to discuss options.

**18. Schedule Next Meeting Date** – The next regular Facilities Committee meeting is scheduled for November 6, 2019.

**ADJOURNMENT**

The meeting was adjourned at 12:20 pm by the Committee Chair.





**Northern California Power Agency  
 October 2, 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>J. Mayo</i>
LOMPOC	<i>Juan</i>
PALO ALTO	
PLUMAS-SIERRA REC	
PORT OF OAKLAND	
REDDING	
ROSEVILLE	<i>Brian Schinstock</i>
SANTA CLARA	
TID	
UKIAH	