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# Minutes

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**Date:** October 20, 2020  
**To:** NCPA Facilities Committee  
**From:** Carrie Pollo  
**Subject:** October 7, 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 9:04 am. Attending via teleconference and/or on-line presentation were Alan Harbottle (Alameda), Mark Sorensen (Biggs), Paul Eckert (Gridley), Jiayo Chiang (Lodi), Shiva Swaminathan (Palo Alto), Mike Brozo (Plumas-Sierra), 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, Lompoc, Port of Oakland, TID, and Ukiah were absent. A quorum of the Committee was established.

## **PUBLIC FORUM**

No public comment.

## **OPEN SESSION**

## **DISCUSSION / ACTION ITEMS**

- 2. Approve Minutes from the September 2, 2020 Facilities Committee and Special Facilities Committee Meetings.**

Motion: A motion was made by Basil Wong and seconded by Jiayo Chiang recommending approval of the September 2, 2020 Facilities Committee and Special Facilities Committee meeting minutes. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Palo Alto, Plumas-Sierra, Roseville, and Santa Clara. The motion passed.

- 3. All NCPA Facilities, Members, SCPPA – Evoqua Water Technologies, LLC MTGSA** – Staff presented back ground information and was seeking a recommendation for Commission approval of a five-year Multi-Task General Services Agreement with Evoqua Water Technologies, LLC, for water services including condensate polisher/DI mix bed vessel services, with a not to exceed amount of \$1,000,000, for use at all facilities owned and/or operated by NCPA, NCPA Members, SCPPA, and SCPPA 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. Execution of this enabling agreement will also increase the pool of qualified and proven vendors for these types of services. NCPA does not currently have any agreements in place with similar vendors. 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 Mike Brozo and seconded by Brian Schinstock recommending Commission approval authorizing the General Manager or his designee to enter into a Multi-Task General Services Agreement with Evoqua Water Technologies, LLC for water treatment related 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, by SCPPA, or by SCPPA Members. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Palo Alto, Plumas-Sierra, Roseville, and Santa Clara. The motion passed.

4. **All NCPA Facilities (Except LEC), Members, SCPPA – Sulzer Turbo Services Houston, Inc. MTGSA** – Staff presented back ground information and was seeking a recommendation for Commission approval of a five-year Multi-Task General Services Agreement with Sulzer Turbo Services Houston, Inc., for inspection and maintenance services, with a not to exceed amount of \$3,000,000, for use at all facilities owned and/or operated by NCPA (except LEC), NCPA Members, SCPPA, and SCPPA 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. Execution of this enabling agreement will also increase the pool of qualified and proven vendors for these types of services. NCPA has a pending agreement for similar services with Allied Power Group. 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 Brian Schinstock recommending Commission approval authorizing the General Manager or his designee to enter into a Multi-Task General Services Agreement with Sulzer Turbo Services Houston, Inc. for inspection and maintenance related services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$3,000,000 over five years, for use at all facilities owned and/or operated by NCPA (except LEC), NCPA Members, by SCPPA, or by SCPPA Members. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Palo Alto, Plumas-Sierra, Redding, Roseville, and Santa Clara. The motion passed.

5. **NCPA CT Facilities – Pure Process Filtration, Inc. MTEMS** – Staff presented back ground information and was seeking a recommendation for Commission approval of a five-year Multi-Task Agreement for Purchase of Equipment, Materials and Supplies with Pure Process Filtration, Inc., for filters and filter storage, with a not to exceed amount of \$1,000,000, for use at NCPA CT's facilities only. 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. Storage is limited at the CT facilities and the vendor has space to store at their location. NCPA desires to enter into this agreement so established terms and conditions are in place for future purchases and storage of goods. There are no additional agreements in place for similar purchases and/or storage services. 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 Jiayo Chiang and seconded by Basil Wong recommending Commission approval authorizing the General Manager or his designee to enter into a Multi-Task Agreement for Purchase of Equipment, Materials and Supplies with Pure Process Filtration, Inc. for filter purchases and storage of goods, 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 the NCPA CT facilities. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Palo Alto, Plumas-Sierra, Redding, Roseville, and Santa Clara. The motion passed.

- 6. NCPA CT Facilities – First Amendment to Second Amended and Restated Ground Lease with the City of Lodi** – Staff provided background information and was seeking a recommendation for Commission approval of a First Amendment to the Second Amended and Restated Ground Lease with the City of Lodi, adding additional Annex area to lease, increasing the total annual lease payments to \$1,040,620, with no change to the agreement term, for use at NCPA's CT Facilities.

The original Ground Lease was dated February 17, 1993 and effective January 1, 1993. An Amended and Restated Ground Lease was entered into on March 22, 2010. On April 29, 2013 the parties entered into a Second Amended and Restated Ground Lease.

LEC has been operating with a shared facilities warehouse between CT1, CT2 and LEC. Space has been tight for both parts storage and lay down space. As experienced during the LEC forced outage, when significant work is performed, there is not enough space onsite for laydown and, as a result, parts were stored outside the fence. In addition, LEC is preparing for the major on the steam turbine and generators, and in doing so, there will be a significant addition to the parts on hand. LEC has found that Sea Vans are effective and inexpensive for storage. In order to obtain extra space, NCPA negotiated with the City of Lodi to annex 2.3 acres of additional space and amend the existing lease agreement.

In order to use the land, NCPA will need to make some minor improvements. It will be leveled with a new base material installed for a firm surface that will be usable in the rainy season. It will also include fencing to secure the area. In addition, lights and security will be incorporated. The land improvements will cost \$300,000. Because of the change of scope of work in the LEC major, funds are available in the Maintenance Reserve to pay for these costs. A draft Commission Staff Report and draft amendment were available for review. It is recommended to place this item on the consent calendar.

Motion: A motion was made by Basil Wong and seconded by Mike Brozo recommending Commission approval authorizing the General Manager or his designee to enter into a First Amendment to the Second Amended and Restated Ground Lease with the City of Lodi, with any non-substantial changes recommended and approved by the NCPA General Counsel, for the Annex land and delegate authority for the General Manager or his designee to award bids, execute agreements, and to issue purchase orders for the parts in accordance with

NCPA Purchasing Policies and Procedures without further approval by the Commission to make improvements on the Annex, for a total cost not to exceed \$300,000, and approval for these funds to come from the LEC Maintenance Reserve fund. Facilities Committee approves this item as either one or two actions at the Commission meeting. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Plumas-Sierra, and Santa Clara. ABSTAIN = Lodi, Palo Alto, Redding, and Roseville. The motion passed.

- 7. All NCPA Facilities, Members, SCPPA – Ancon Marine dba Ancon MTGSA –** Staff presented background information and was seeking a recommendation for Commission approval of a five-year Multi-Task General Services Agreement with Ancon Marine dba Ancon, for specialized high pressure cleaning services, with a not to exceed amount of \$2,000,000, for use at all facilities owned and/or operated by NCPA, NCPA Members, SCPPA, and SCPPA Members. All purchase orders will be issued following NCPA procurement policies and procedures.

This is a new agreement with a new vendor. It is an enabling agreement with no commitment of funds. NCPA has enabling agreements in place for similar services with Gifford's Backhoe Services and Northern Industrial Construction. Specialized high pressure cleaning, vacuum trucks, safety and fire watch services, are required from time to time for the operation and maintenance of NCPA facilities and those of our Members and SCPPA. Geothermal staff was contacted by Ancon Marine dba Ancon, who expressed a desire to be added to NCPA's vendor list for services, because they routinely work in the Geysers area. After having met with this vendor, staff recommends that NCPA enter into an enabling agreement with Ancon Marine dba Ancon, so established terms and conditions are in place should this vendor be the successful bidder on future projects. Also, increasing the pool of qualified vendors willing to work in the more remote location of NCPA's Geothermal Facilities, results in more competitive bidding when services are needed. 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 Brian Schinstock 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 Ancon Marine dba Ancon for specialized high pressure cleaning, vacuum trucks, safety and fire watch services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$2,000,000 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, Palo Alto, Plumas-Sierra, Redding, Roseville, and Santa Clara. The motion passed.

- 8. All NCPA Facilities, Members, SCPPA – Rege Construction, Inc. MTGSA –** Staff provided background information and was seeking a recommendation for Commission approval of a five-year Multi-Task General Services Agreement with Rege Construction, Inc., for maintenance services including grading, excavation, and paving, with a not to exceed amount of \$1,000,000, for use at all facilities owned and/or operated by NCPA, NCPA Members, SCPPA, and SCPPA Members. All purchase orders will be issued following NCPA procurement policies and procedures.

This is a new agreement with a new vendor. It is an enabling agreement with no commitment of funds. NCPA has enabling agreements in place for similar services with Epidendio Construction, Inc., Gifford's Backhoe Services, Northern Industrial Construction, and Granite Construction Company (pending). Geothermal staff was contacted by Rege Construction, who expressed a desire to be added to NCPA's vendor list for services,

because they routinely work in the Geysers area. After having met with this vendor, staff recommends that NCPA enter into an enabling agreement with Rege Construction, so established terms and conditions are in place should this vendor be the successful bidder on future projects. Also, increasing the pool of qualified vendors willing to work in the more remote location of NCPA's Geothermal Facilities results in more competitive bidding when services are needed. 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 Brian Schinstock and seconded by Basil Wong recommending Commission approval authorizing the General Manager or his designee to enter into a Multi-Task General Services Agreement with Rege Construction for general maintenance services, including grading, excavation, and paving, 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, by SCPPA, or by SCPPA Members. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Palo Alto, Plumas-Sierra, Redding, Roseville, and Santa Clara. The motion passed.

- 9. All NCPA Facilities, Members, SCPPA – Brian Davis dba Northern Industrial Construction MTGSA** – Staff presented background information and was seeking a recommendation for Commission approval of a five-year Multi-Task General Services Agreement with Brian Davis dba Northern Industrial Construction, for miscellaneous maintenance services including welding and safety/fire watch services, with a not to exceed amount of \$2,500,000, for use at all facilities owned and/or operated by NCPA, NCPA Members, SCPPA, and SCPPA Members. All purchase orders will be issued following NCPA procurement policies and procedures.

This is a new agreement with an existing vendor. It is an enabling agreement with no commitment of funds. Staff 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. NCPA has agreements in place for similar services with Gifford's Backhoe Services, Inc., Epidendio Construction, Inc., and pending agreements with Ancon Marine dba Ancon, and Rege Construction. 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 Five Year Multi-Task General Services Agreement with Brian Davis dba Northern Industrial Construction, for general maintenance services, including welding, safety, and fire watch services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$2,500,000 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. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Palo Alto, Plumas-Sierra, Redding, Roseville, and Santa Clara. The motion passed.

- 10. All NCPA Facilities, Members, SCPPA – MP Environmental Service, Inc. MTGSA** – Staff presented background information and was seeking a recommendation for Commission approval of a five-year Multi-Task General Services Agreement with MP Environmental Service, Inc., for removal and replacement of sulfur bins, phase separators, and vacuum truck services, with a not to exceed amount of \$3,000,000, for use at all facilities owned

and/or operated by NCPA, NCPA Members, SCPPA, and SCPPA Members. All purchase orders will be issued following NCPA procurement policies and procedures.

This is a new agreement with an existing vendor. It is an enabling agreement with no commitment of funds. This vendor will provide maintenance services including but not limited to removal and disposal of sulfur bins, hazardous material, phase separators, and vacuum truck services. Since this vendor provides removal of hazardous materials, it is also recommended that this agreement be for use at NCPA facilities only. NCPA will be requesting competitive bids specifically for the sulfur bin hauling and disposal services required for the Geothermal Facilities. MP Environmental Services, Inc. will be one of the prospective bidders. Staff has utilized this vendor in the past, and has a good working relationship with the vendor. NCPA desires to enter into a multi-task enabling agreement with MP Environmental Services, Inc., so established terms and conditions are in place should this vendor be the successful bidder on future projects. Execution of this enabling agreement will also increase the pool of qualified and proven vendors for these types of services. NCPA currently has agreements in place for similar services with Patriot Environmental Services, Gifford's Backhoe Services, Fremouw Environmental Services, Inc., and a pending agreement with Ancon Marine dba Ancon. 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 Brian Schinstock recommending Commission approval authorizing the General Manager or his designee to enter into a Multi-Task General Services Agreement with MP Environmental Services, Inc., for general maintenance services, including removal and disposal of sulfur bins, hazardous material, phase separators, and vacuum truck services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$3,000,000 over five years, for use at all facilities owned and/or operated by NCPA. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Palo Alto, Plumas-Sierra, Redding, Roseville, and Santa Clara. The motion passed.

- 11. NCPA Geothermal Facility – NOAA Middletown License Agreement –** Staff presented background information and was seeking a recommendation for Commission approval of a License Agreement with the National Oceanic and Atmospheric Administration allowing them to operate and maintain an observing platform consisting of an S-band radar system and meteorological tower on GEO J-Site, for a duration of 10 years, with no cost to NCPA, at NCPA's Geothermal Facility.

NCPA entered into a License Agreement with the National Oceanic and Atmospheric Administration (NOAA) on December 8, 2014. This License Agreement allowed NOAA to place a weather monitoring station on the J-Site well pad of the NCPA Geothermal Facilities. Aside from providing a 20 amp 120V circuit to power the unit, NCPA incurred no cost, was not responsible for maintaining the equipment, and was not liable for any damages to the weather station. NCPA entered into this agreement solely as a courtesy to NOAA, and its effort to gather weather data.

The original agreement expired December 8, 2019. NOAA would like to establish a new license agreement. The new agreement has the same terms and conditions as the original one, but the term of the agreement is being updated to ten years, the previous agreement had a term of five years. A draft Commission Staff Report and the license agreement were available for review. It is recommended to place this item on the Commission Consent calendar.

Motion: A motion was made by Jiayo Chiang and seconded by Alan Harbottle recommending Commission approval authorizing the General Manager or his designee to enter into a License Agreement with the National Oceanic and Atmospheric Administration (NOAA) to place a weather monitoring station at the NCPA Geothermal Facility. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Palo Alto, Plumas-Sierra, Redding, Roseville, and Santa Clara. The motion passed.

- 12. All NCPA Facilities, Members, SCPPA – Katama Technologies, Inc. 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 Katama Technologies, Inc. for consulting services related to business strategy and project planning, increasing the not to exceed amount from \$250,000 to \$1,000,000, for continued use at all facilities owned and/or operated by NCPA, its Members, SCPPA, or SCPPA Members. All purchase orders will be issued following NCPA procurement policies and procedures.

On August 6, 2020, NCPA entered into a five-year Multi-Task Consulting Services Agreement with Katama Technologies, Inc., for an amount not to exceed \$250,000. This agreement was developed primarily for a Member project relating to detailed design services for a fiber optic cabling loop between key substations. Initially the scope of work was estimated to fall within the available funds authorized by this agreement, but during the scoping of the project, it became clear an increase to the agreement's compensation amount is required. For this reason, an amendment is necessary to provide adequate funds for the project through completion, plus the availability of additional funds for use by NCPA, its Members, SCPPA, or SCPPA Members over the course of the agreement's five-year term. This is an enabling agreement with no commitment of funds. This is also a Hometown Connections Inc. (HCI) preferred vendor. NCPA currently has agreements in place for similar services with Quest Media Supplies, and IEC Corporation. A draft Commission Staff Report and draft first amendment to the agreement were available for review. It is recommended to place this item on the Commission Consent calendar.

Motion: A motion was made by Jiayo Chiang and seconded by Mike Brozo recommending Commission approval authorizing the General Manager or his designee to enter into a First Amendment to the Multi-Task Consulting Services Agreement with Katama Technologies, Inc., with any non-substantial changes as recommended and approved by the NCPA General Counsel, increasing the not to exceed amount from \$250,000 to \$1,000,000, for continued use at any facilities owned and/or operated by NCPA, its Members, the Southern California Public Power Authority (SCPPA), or SCPPA Members. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Palo Alto, Plumas-Sierra, Redding, Roseville, and Santa Clara. The motion passed.

- 13. NCPA Geothermal Facility – Geothermal Plant 1 HVAC System Project** – Staff presented background information of the project and was seeking a recommendation for Commission approval to increase the not to exceed amount of the Geothermal Plant 1 HVAC System Project from \$893,817 to \$1,500,000 (subject to approval of \$606,183 in the FY2022 budget), for use at NCPA's Geothermal Facilities.

The original HVAC system installed at the Geothermal Plant 1 has outlived its useful life and has many components in need of replacement and an upgrade. The HVAC system is a critical system to the Plant as it conditions the space for employees, filters hazardous H2S gas, reduces thermal degradation of important electrical systems and their insulation, and removes excessive waste heat to keep indoor transformers operating efficiently. To evaluate and upgrade the existing HVAC system, Costa Engineers completed a total upgrade design

and engineering package. This package included replacement of major equipment utilized in the HVAC system.

The Geothermal Plant 1 HVAC System Project was originally approved at the January 16, 2020 Commission Meeting, with a budget not to exceed \$893,817 (funded in FY2021). After soliciting bids as a Public Works project, in which no bids were received, a Formal Competitive Bid process was followed and three responsive bids were received. The lowest qualifying bid received was from Famand, Inc. dba SitelogiQ, for a total bid amount of \$1,266,506. These funds will come from a combination of FY2021 funds (already approved) and FY2022 funds (pending approval). Utilizing the already authorized FY2021 funds, long-lead equipment will be purchased and the services of the contractor will be secured. Pending the authorization of the FY2022 additional funds, the project's construction will begin late in FY2021 and extend into the first quarter of FY2022, allowing the project timeline to extend across two Fiscal Year budget cycles.

Motion: A motion was made by Brian Schinstock and seconded by Mike Brozo recommending Commission approval of an Amendment to Resolution 20-08 authorizing additional funds for the Geothermal Plant 1 HVAC System Project, increasing the total not to exceed amount of this project from \$893,817 to \$1,500,000 (subject to approval of \$606,183 in the FY2022 budget), and delegating authority to the General Manager or his designee to award bids, execute agreements, and to issue purchase orders for the updated project amount, without further approval by the Commission. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Plumas-Sierra, Redding, Roseville, and Santa Clara. ABSTAIN = Palo Alto. The motion passed.

## **INFORMATIONAL ITEMS**

### **14. FY2020 Annual Billing Settlements Review** – Staff presented a draft of the FY2020 Annual Billing Settlement for the period of July 1, 2019 through June 30, 2020.

After internal accounting review, the final draft of the FY2020 Annual Billing Settlement was reviewed by the Facilities Committee. The draft results include an approximate \$2.8 million refund from the plants, and approximately \$2.3 million coming from management services, pass-through costs, and third party revenues, for a total amount of \$5.3 million in refunds. The refunds for projects include the Hydro Project at \$1.8 million, Geo at \$869,000, CT1 at \$12,000, CT2 at \$95,000, and the LEC at \$128,000.

The next steps in this process are to present this draft to the LEC PPC October 7, 2020, then the Utility Directors at the October 15, 2020 UD meeting. The final version of the FY2020 Annual Billing Settlement will be presented to the Facilities Committee at the November 4, 2020 Facilities Committee meeting, seeking a recommendation for Commission approval. After that it will be presented to the LEC PPC for approval, and again to the UDs in November. Staff will be seeking Commission approval at the December 3, 2020 Commission meeting.

### **15. Overview of FY2022 Budget Process and Approach** – Staff provided an overview of the FY2022 Budget process, and recommended operating budget directions.

The proposed budget process will continue with review of the draft budgets through the Facilities, LEC PPC, and L&R Committees, and UD meeting, seeking a recommendation for Commission approval. The budget is prepared on a project/program basis. Allocation for all allocated costs are Power Management, Legislative and Regulatory, Judicial Action, Administrative and General, and direct allocations. Previously approved methods will be



continued at this time with focus on NCPA controllable costs and aligning budgets with expectations and previous actuals. Issues impacting the FY2022 budget include union contracts (IBEW and HEA), PERS Pension with an increase of \$375,000 (4%), OPEB, and the CPI index of 1.3%. Other issues include capital and maintenance of assets, including replenishment of reserves, and wildfire mitigation with increased efforts to minimize risks and compliance with audit recommendations.

Recommendations for the FY2022 budget include a target increase of 1.3% for regular operating and maintenance of the plants. All maintenance and capital projects will be reviewed and vetted by the Facilities Committee and the LEC PPC Committee prior to seeking a recommendation for Commission approval. Members expressed consideration for maintenance that is critical, and needed, to keep the plants reliable and resilient. The salary increase target range will be between \$600,000 and \$1 million. No new positions are anticipated at this time. All other operating expenses will target no more than a 1.3% increase as well.

**16. New Business Opportunities** – Staff presented an update regarding new business opportunities.

South Sutter Water District (SSWD) has contacted NCPA, and is seeking Scheduling Coordinator and Dispatch Services, with the possibility for a long term PPA for project output. The SSWD Camp Far West Hydroelectric Project is a 6.8 MW reservoir, run-of-river type of hydroelectric project, primarily focused on irrigation for rice farming in the area. The project is RPS and RA eligible, and will be available in 2021.

**17. Resource Adequacy Commitment Impacts on Operations** – Staff presented and discussed impacts Resource Adequacy commitments have on joint project operations.

All planned outage requests are subject to CAISO review, in which the CAISO may issue a POSO, a requirement to supply substitute or replacement RA. Lack of substitute or replacement RA may result in a planned outage being rejected by the CAISO. Planned outage replacement can be supplied from system and/or local RA. Forced outage replacement can only be supplied from like resources, located the same electrical bus. The CAISO has expressed potential concerns with outages being reclassified from planned to forced outages. Staff proposed possible RA substitution processes for both planned and forced outages listed below, and is asking for feedback from Members.

**Planned Outages** – The planned outage schedule for the following compliance year period is reviewed and approved by the Facilities Committee annually in either August or September, then filed at the CAISO by October 15. At the time of the year ahead filing, on October 31, any RA commitments in conflict with the approved planned outage schedule will be noticed to applicable project participants. Project participants have the opportunity to identify qualified substitute RA capacity at least 30 calendar days in advance of the month ahead compliance deadline. If a project participant does not supply substitute RA capacity, NCPA may seek to procure eligible substitute RA capacity on behalf of a project participant(s) who does not provide substitute RA capacity by the deadline. Costs associated with eligible RA capacity procured by NCPA will be allocated to the deficient project participant(s). A planned outage may need to be cancelled if NCPA does not receive a combination of transferred and/or procured eligible RA capacity that is sufficient to satisfy the full substitution requirement. NCPA will seek alternative options such as a short term opportunity outage or off-peak opportunity outage. Cost allocation for impacts associated with a cancelled planned outage will be considered.

**Forced Outages** – Project participants are notified at the time of a forced outage. Project participants have the opportunity to identify qualified substitute RA capacity within two calendar days of the notice. If a project participant does not supply substitute RA capacity, NCPA may seek to procure eligible substitute RA capacity on behalf of a project participant(s) who does not provide substitute RA capacity by the deadline. Costs associated with eligible RA capacity procured by NCPA will be allocated to the deficient project participant(s). Any penalty costs incurred for RA commitments as a result of the forced outage will be allocated to project participants based on their pro-rata share of committed RA capacity that was not covered by eligible substitute RA capacity. A defined period of days to qualify for this substitution procedure will be determined.

Substitute RA replacement rules will be incorporated into a new Facilities Agreement Schedule, under Facilities Schedule 15. Rules will be applicable to jointly owned NCPA projects including CT1, CT2, Geothermal Projects, and North Fork Stanislaus River Hydroelectric Developments Projects. Staff will develop a draft Facilities Schedule 15 and present for further consideration at a future Facilities Committee meeting.

**18. PG&E Application for CapEx Recovery** – Staff provided a presentation regarding PG&E’s application for recovery of 2011–2014 CapEx (A.20-07-020).

On July 31, 2020, PG&E filed an application with the CPUC for Recovery of 2011-2014 Gas Transmission and Storage Capital Expenditures. PG&E seeks a revenue requirement of \$416.3 million for the period 2011-2014 of GT&S capital expenditures that were unplanned. PG&E proposes to “amortize” most of the \$416.3 million revenue requirement over 36 months starting in April 2021, by applying it to the volumetric component of the negotiated rates. Increasing the current rate from \$0.1522/th to \$0.1682/th. NCPA budgets will increase at LEC by \$1,481,344, at CT1 by \$47,494, and CT2 by \$9,597 for 2021. PG&E seeks a CPUC Commission decision by February 2021.

Concerns, as well as questions, regarding the filing could push the decision back several months to the fourth quarter of 2021, therefore pushing back the start of the amortization period another year from PG&E’s proposal of April 2021. This would overlap into the next GT&S Rate Case expected in quarter three of 2021 on collections and rate impacts. Staff will continue to monitor and develop potential options for recovery that are equitable, and actions to prepare for the upcoming GT&S Rate Case.

**19. NCPA Generation Services Plant Updates** – Plant Staff gave an update on current plant activities and conditions.

**Geo** – There were no safety recordables in September, with zero near misses. EH&S training is 78% complete. Poor air quality impacted the area with a few days in the unhealthy to hazardous range, and topping out at almost 600 AQI September 30, 2020. Average generation for September was down to 81.8 MW, with the net generation at 58.9 GWh due to the Plant 1 Lakeville Transmission Line Outage and Glass Fire. The 2020 YTD net generation is 545.7 GWh, 1.3% above forecast. Steam Field maintenance and idle wells continues with D-7 back in production. The SEGEP outage is completed as well as the Plant 1 outage for switch repair.

**CTs** – September operations included 30 actual starts for CT1, of 108 forecasted, bringing the FYTD total to 92. CT2 had 17 actual starts of 26 forecasted, with the FYTD total at 49. Two forced outages occurred during the month. CT1’s outage was due to the compartment fan, and battery failure. CT2 also experienced a forced outage due to the temperature and vibration sensors. There were no planned outages.

**Hydro** – New Spicer Meadows (NSM) storage is currently at 106,475 acre-feet. NCPA purchased 2,000 acre-feet of water from Utica Water & Power Agency (UWPA) through the water-for-power program for October through November. NSM was offline for 13 days in September due to a PG&E maintenance outage at Salt Springs. During the month there was also two PG&E PSPS events. For the first time in history, the USFS closed the forest including all campgrounds, day use, trails, etc. due to the high fire danger. NCPA submitted a special use permit application for the McKays Sediment Removal Beneficial Reuse Project. FERC delegated their authority to Hydro staff for dam inspections. Beaver Creek and North Fork Diversion Dams have been drained for debris removal and annual maintenance. October priorities include Collierville dual outage and McKays trashrack cleaning, Collierville Unit 1 maintenance outage, and the McKays 17kV fire hardening, to be scheduled.

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

- NCPA Renewables RFP – Staff is seeking member feedback regarding interest in projects. The current projects in which Members have expressed interest include: 1) Glover Solar, 2) Avangrid Stagecoach, 3) Calpine Geysers, 4) ORMAT Geo, and 5) OCID. Review of additional proposals is currently underway.
- 2021 Annual RA Filings Due October 31, 2020 – Please send RA information to staff for the annual filings due.
- SCP Services Agreement has been fully executed – Integration is underway.
- SFWPA negotiations are underway again with the PPA review, and possible development of a third phase agreement.
- Strategic Planning effort is continuing with Member meetings to discuss the next 5 year Strategic Plan. The formal plan will be brought back to the Facilities Committee for discussion, and a recommendation for Commission approval.
- Glover Solar Project PPA is under negotiations with Samsung.
- COVID-19 Update – NCPA Dispatch and Scheduling continue with dual operations.

**21. Next Meeting** – The next regular Facilities Committee meeting is scheduled for November 4, 2020.

## **ADJOURNMENT**

The meeting was adjourned at 12:30 pm by the Committee Chair.