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Minutes

Date: October 13, 2023
To: NCPA Facilities Committee
From: Carrie Pollo
Subject: October 11, 2023 Facilities Committee Meeting Minutes

- 1. Call Meeting to Order & Roll Call** – The meeting was called to order by Committee Chair Alan Harbottle (Alameda) at 9:10 am. Attending via teleconference and on-line presentation were Yuliya Shmidt (BART), Jake Carter (Gridley), Shiva Swaminathan (Palo Alto), Nathan Tang and Liem Nguyen (Port of Oakland), and Monica Nguyen and Basil Wong (Santa Clara). Peter Lorenz (non-voting Representative with TID) also attended via teleconference and on-line presentation. Those attending in person are listed on the attached Attendee Sign-in Sheet. Committee Representatives from Healdsburg, Lompoc, Plumas-Sierra, Redding, Shasta Lake, TID, and Ukiah were absent. A quorum of the Committee was not established at the time of roll call.

PUBLIC FORUM

No public comment.

OPEN SESSION

****Informational item # 7 was presented first due to the lack of a quorum.****

- Josh Cook with the City of Biggs joined the meeting during the presentation of Informational item # 7 establishing a quorum at 9:26 am.

DISCUSSION / ACTION ITEMS

- 2. Approval of Minutes** – Approve minutes from the September 6, 2023 Facilities Committee meeting and the September 28, 2023 Special Facilities Committee meeting.

Motion: A motion was made by Josh Cook and seconded by Brian Schinstock recommending approval of the minutes from the September 6, 2023 Facilities Committee meeting and the September 28, 2023 Special Facilities Committee meeting. A vote was taken by roll call: YES = Alameda, BART, Biggs, Gridley, Lodi, Palo Alto, Port of Oakland, Roseville, and Santa Clara. The motion passed.

- 3. All NCPA Facilities, Members, SCPPA – High Sierra Timber Management, LLC MTGSA –** Staff presented background information and was seeking a recommendation for Commission approval of a five-year Multi-Task General Services Agreement with High Sierra Timber Management, LLC for vegetation management services, with a not to exceed amount of \$1,000,000, for use at all facilities owned and/or operated by NCPA, NCPA Members, by SCPPA, and SCPPA Members.

High Sierra Timber Management, LLC is a new vendor for NCPA. 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. This enabling agreement does not commit NCPA to any expenditure of funds. At the time services are needed, NCPA will bid the specific scope of work consistent with NCPA procurement policies and procedures. Additionally, adding this vendor will increase the pool of qualified vendors for these types of services. NCPA has agreements in place for similar services with Cornerstone Land Services LLC, Kimberly Fields, and Nate's Tree Service. A draft Commission Staff Report and the 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 General Services Agreement with High Sierra Timber Management, LLC for vegetation management 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 any facilities owned and/or operated by NCPA, NCPA Members, by SCPPA, and SCPPA Members. A vote was taken by roll call: YES = Alameda, BART, Biggs, Gridley, Lodi, Palo Alto, Port of Oakland, Roseville, and Santa Clara. The motion passed.

- 4. All NCPA Facilities, Members, SCPPA – Bayside Insulation & Construction, Inc. MTGSA –** Staff presented background information and was seeking a recommendation for Commission approval of a five-year Multi-Task General Services Agreement with Bayside Insulation & Construction, Inc. for insulation services, with a not to exceed amount of \$500,000, for use at all facilities owned and/or operated by NCPA, NCPA Members, by SCPPA, and SCPPA Members.

This is a current NCPA vendor. The current agreement is expiring soon. NCPA has utilized this vendor in the past, and has a good working relationship with this 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 purchases. This enabling agreement does not commit NCPA to any expenditure of funds. At the time services are needed, NCPA will bid the specific scope of work consistent with NCPA procurement policies and procedures. NCPA has agreements in place for similar services with American Insulation & Scaffolding, Farwest Insulation Contracting, Petrochem Insulation and Sunshine Metal Clad. A draft Commission Staff Report and the 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 Jake Carter recommending Commission approval authorizing the General Manager or his designee to enter into a Multi-Task General Services Agreement with Bayside Insulation & Construction, Inc. for insulation 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 any facilities owned and/or operated by NCPA, NCPA Members, by SCPPA and SCPPA Members. A vote was taken by roll call: YES = Alameda, BART, Biggs, Gridley, Lodi, Palo Alto, Port of Oakland, Roseville, and Santa Clara. The motion passed.

5. **All NCPA Facilities, Members, SCPPA – American Crane Rental, Inc. MTGSA** – Staff provided background information and was seeking a recommendation for Commission approval of a five-year Multi-Task General Services Agreement with American Crane Rental, Inc. for crane related services, with a not-to-exceed amount of \$1,500,000, for use at all facilities owned and/or operated by NCPA, NCPA Members, by SCPPA, and SCPPA Members.

This is a current NCPA vendor. The previous agreement has expired. NCPA has utilized this vendor in the past, and has a good working relationship with this 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 purchases. This enabling agreement does not commit NCPA to any expenditure of funds. At the time services are needed, NCPA will bid the specific scope of work consistent with NCPA procurement policies and procedures. NCPA has agreements in place for similar services with Hatton Crane & Rigging, Maxim Crane Works, OST Trucks & Cranes, Summit Crane and Titan Crane & Rigging. A draft Commission Staff Report and the draft agreement were available for review. It is recommended to place this item on the Commission Consent Calendar.

Motion: A motion was made by Josh Cook and seconded by Monica Nguyen recommending Commission approval authorizing the General Manager or his designee to enter into a Multi-Task General Services Agreement with American Crane Rental, Inc. for crane related services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$1,500,000 over five years, for use at any facilities owned and/or operated by NCPA, NCPA Members, by SCPPA and SCPPA Members. A vote was taken by roll call: YES = Alameda, BART, Biggs, Gridley, Lodi, Palo Alto, Port of Oakland, Roseville, and Santa Clara. The motion passed.

6. **All NCPA Facilities – ABM Building Solutions MTGSA** – Staff provided background information and was seeking a recommendation for Commission approval of a five-year Multi-Task General Services Agreement with ABM Building Solutions, LLC for maintenance of all HVAC equipment, with a not to exceed amount of \$350,000, for use at all facilities owned and/or operated by NCPA.

In May of 2023, staff issued an RFP soliciting proposals from mechanical, heating, ventilating, and air conditioning (HVAC) companies to perform ongoing comprehensive maintenance for environmental mechanical systems, including, maintenance, repair, building automation, cooling tower water treatment, indoor air quality evaluation, planning and design services as needed for NCPA headquarters and the Disaster Recovery Center. The proposal was sent to six vendors. As a result of Formal Bidding in accordance with NCPA's procurement policies and procedures ABM Building Solutions, LLC was selected to provide this service.

NCPA has utilized this vendor in the past and has a good working relationship with them. This vendor has extensive knowledge of NCPA's headquarters and disaster recovery center's automated logic controls system, allowing real-time monitoring and control of the HVAC and shelter-in-place systems. NCPA desires to enter into a five-year, multi-task general services agreement with ABM Building Solutions, LLC providing ongoing comprehensive HVAC maintenance services. These maintenance activities intend to extend the life of the equipment, limit breakdowns, increase energy efficiency, and provide safe indoor air quality. A draft Commission Staff Report and the draft agreement were available for review. It is recommended to place this item on the Commission Consent Calendar.

Motion: A motion was made by Josh Cook 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 ABM Building Solutions, LLC for HVAC maintenance, repair, building automation, cooling tower water treatment, indoor air quality evaluation, and design-

planning services at NCPA headquarters and the Disaster Recovery Center, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$350,000 over five years, for use at any NCPA owned facilities. A vote was taken by roll call: YES = Alameda, BART, Biggs, Gridley, Lodi, Palo Alto, Port of Oakland, Roseville, and Santa Clara. The motion passed.

INFORMATIONAL ITEMS

7. New Business Opportunities – Staff provided an update regarding new business opportunities.

Grace Solar – Project Details

- Developer: NextEra Energy Resources Development (NextEra)
- Capacity: 50 MW “Slice”; Total 400-500 MW Project
- Offer Price:
 - 15 Year @ \$45.73 / MWh Flat Solar PPA Rate
 - 20 Year @ \$41.97 / MWh Flat Solar PPA Rate
- Energy Only – No deliverability at this time
- BAA Interconnection:
 - SCE Colorado River 230 kV substation
 - Blythe, Riverside County, CA
- COD: December 2027
- Site Control: NextEra currently has site control
- Interconnection: Project is Q1761 in Cluster 13 and have an executed LGIA with SCE
- Buyer’s Step in Rights: Not Offered
- Credit Support and Security: Proposed by Seller @ \$60/kW

Possible Member Interest

- Lodi: Up to 10 MW
- Lompoc: Up to 10 MW
- Port of Oakland: 5 MW
- Biggs: Up to 1 MW
- Gridley: Up to 1 MW
- Healdsburg: TBD
- Ukiah: TBD
- Santa Clara: Preliminary balance of project
- Other: TBD

Possible Next Steps

- Call scheduled with NextEra on October 13, 2023
- Discussion options to engage in further discussions:
 - Letter of Intent
 - Exclusivity Agreement
 - Other
- Additional review and due diligence
- NextEra represents that the balance of the Facility is now committed to another off-taker via exclusivity agreement

8. FY 2023 Annual Billing Settlements Review – Staff presented a draft of the FY 2023 Annual Billing Settlement and encumbrances for the period of July 1, 2022 through June 30, 2023.

After internal accounting review, the final draft of the FY 2023 Annual Billing Settlements was reviewed by the Facilities Committee. The draft results include an approximate \$2.4 million

refund from plant operations, and approximately \$2.6 million refund coming from management services. Pass-through costs, and third party revenues still need to be determined. Encumbered funds for FY 2023 total \$3.8 million.

These draft results were presented to the LEC PPC on October 9, 2023. The next step is to present to the Utility Directors at the October 13, 2023 UD meeting. The final version of the FY 2023 Annual Billing Settlements will be presented to the Facilities Committee at the November 1, 2023 Facilities Committee meeting. Staff will be 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 November 30, 2023 Commission meeting.

9. Overview of FY 2025 Budget Process and Approach – Staff provided an overview of the FY 2025 Budget process and recommended operating budget directions.

The proposed budget approach will continue with review of the draft budgets through the Facilities, LEC PPC, and L&R Committees, and UD meetings, seeking a recommendation for Commission approval. February review will be a combined meeting with the Facilities and Finance Committees. 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 continue to be used at this time with focus on NCPA controllable costs and aligning budgets with expectations and previous actuals. Reserves and Program Security Deposits will be based on agreements and/or Commission direction.

Issues impacting the FY 2025 budget include a contribution increase of \$18 million for the McKays Reservoir Cleanout Project, a \$2 million contribution increase for the Beaver Creek Sedimentation Cleanout, and FERC relicensing. The debt service for Hydro has been reduced by \$16 million. The PERS Pension remains relatively flat with a decrease from 11.1% to 10.83%. OPEB remains relatively flat.

▪ **Phase II Projects – New Money Request**

- STIG Repower
 - \$4 million for phase II, \$35m for phase III (2026)
- Hydrogen
 - \$22 million for Phase II, \$200 million for Phase III (2027)
 - The facility will eventually require additional staff
- Geo BESS
 - \$15 million for Phase II, \$138 million for Phase III (2026)

▪ **Member Projects**

- Shasta Lake Solar
- Plumas Sierra Transmission Line
- Port / CT1 Hydrogen Generation/Distribution
- Power Management RFPs
 - New generation / PPAs
 - SCADA integration

These projects will require increased staff time and resources. Project consultants may also be requested to assist with the work.

Recommendations for the FY 2025 budget include a target increase of 3.5% 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. Transmission costs are based on the published rate, which are estimated during the budget preparation. CAISO energy load costs are based on the forward curve. The salary increase target range of \$1.1 million includes union negotiated general wage increases and broad banding adjustment for merits, promotions, and upgrades. The target range for all other operating expenses is a 0 – 3.5% increase from the previous year's base budget and staff will continue to refine by aligning closer to actuals.

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

Hydro – The Hydro project continues with above average generation schedules. Collierville (CV) Power House was at 98% availability and New Spicer Meadows (NMS) Power House was at 90% availability during the month of September. The monthly generation profiles for CV and NMS were shared with the Committee. The NMS normal annual fall outages have been completed. During the month, McKays tunnel and fish bypass intake cleaning was performed, streamflow bypass valve intake cleaning, landslide vegetation encroachment into targets, CV battery maintenance, CV tailrace landslide debris survey, CV runner and needle inspections, Spicer Bypass DSOD inspection of emergency preparedness, Beaver Creek annual maintenance, debris removal from Beaver Creek Reservoir outlet and fish screened intake, Beaver Creek Reservoir sediment survey, and FEMA damage inspection.

New Spicer Meadows Reservoir Storage

- 13,138 acre feet decrease (8%) month-over-month
- 158,320 acre feet to 145,182 acre feet
- Storage levels are strong going into fall
- Optimizing stored water

Collierville Normal Annual Fall Outage Underway

- Dual unit completed 9/20 and 10/1
- CV Unit 2: 10/1 – 10/13
- CV Unit 1: 10/16 – 10/27

Current Events

- Projects
 - Continued Collierville annual outages
 - Alpine and Utica Dam maintenance
 - DSOD Dam Safety Inspection for Union and Utica
 - Continued FEMA/OES damage coordination
 - Monthly CCWD coordination meetings
 - Quinquennial drone survey of Utica LLO
 - Snow damage repair work: design, permitting, fieldwork

CTs – CT1 had 0 starts of 28 forecasted. FYTD total is 33 starts. CT2 had 0 starts of 10 forecasted. FYTD total is 18 starts.

▪ **Outages**

- **CT1 Lodi –** Available.
- **CT1 Alameda –** Available.
 - ECN communications issue has been restored using a wireless back up device. CAISO OMS tickets for 3 hour notice submitted on 6/28/23 was cleared on 9/25/23.
 - As of 9/30/23, an OMS ticket remains open with CAISO for our SQMD (Settlement Quality Meter Data). This is due to changes in our IP address

due to AT&T network changes. CAISO needs to update the new IP addresses in their system to read our meters.

- **CT2 STIG** – Available.
 - On 9/1/23 @ 0538 LEC ST GSU Gas Analyzer spiked on total gas concentration and opened switchyard CB 1532 & CB 1542, causing LEC to go Black plant. LEC Black plant scenario affected the cooling water pumps availability that provide cooling water to CT2. Outage ended 9/1/23 @ 1805. Found a faulty sensor on Gas Analyzer.
 - ECN communications were lost on 9/13/23 @ 2200 and an OMS ticket was submitted to CAISO. AT&T was notified and after investigating the issue, AT&T found a bad repeater card in their cabinet. Card was replaced and CAISO OMS ticket was cleared on 9/25/23 @ 1546.
- **CT1 Lodi Run Hours**
 - YTD hours 28.8 of 200 Allowed (based on calendar year)
- **CT1 Alameda Diesel Hours**
 - U1= 4.61 hrs. of 42 (based on rolling year)
 - U2= 4.25 hrs. of 42 (based on rolling year)
- **Safety and Environmental**
 - No safety issues to report.
 - No environmental issues to report.
- **There were no CAISO Commitment Runs for September 2023**

Geo – There were no safety incidents for the month of September. Safety Training is 73.7% complete. Clearing of brush under the transmission lines continues. The average Net Generation for the month of September was 58.9 MW. The total net generation was 42.4 GWh. CY 2023 actual net generation = 419.7 GWh, which is 11.8% under forecast. CY net generation goal is 664.8 GWh. Reliable Turbine Services (RTS) was remobilized on site September 6, 2023 for the Unit 1 Steam Strainer Damage Project. The turbine was removed for rotor and diaphragm sandblasting. The last stage rotor blades will need to be replaced in the turbine. The main condenser tubes have been cleaned for Unit 1. During the Unit 4 Overhaul Project metal shavings were found throughout the lube oil system, turbine shaft, bearings and seals. Upon further inspection, it was found that the bearings have embedded metal shavings and that those pieces are causing damage to both the bearing and shaft. Additionally, the hydrogen seals and steam seals have sustained damage. Further work needs to be performed to restore the bearing and shaft and to clean the oil system. The projected return to service is November 15, 2023. Efforts are being made to shorten this timeline.

11. Planning and Operations Update

- **Market Conditions** – Staff continue to monitor daily market conditions due to the volatility of gas prices.
- **Resource Integration** – COD dates were reviewed for new resource integration.
- **Wildcat Energy Farm 1 Solar** – This is a 100 MWac Solar Photovoltaic with 100 MW/400 MWh lithium-ion 4 hour energy storage located in Imperial Valley. The option to purchase agreement is fully executed. COD is scheduled for Q4 2026. This location is through IID rather than an interconnection to the CAISO. Staff shared the specifics of this project and is requesting feedback of Member interest in this project.

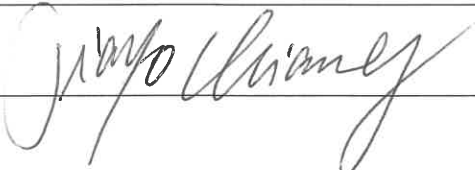

12. Next Meeting – The next Facilities Committee meeting is scheduled for November 1, 2023.

ADJOURNMENT

The meeting was adjourned at 11:55 am by the Committee Chair.

**Northern California Power Agency
 October 11, 2023 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 |  |
| LOMPOC | |
| PALO ALTO | |
| PLUMAS-SIERRA REC | |
| PORT OF OAKLAND | |
| REDDING | |
| ROSEVILLE |  |
| SANTA CLARA | |
| SHASTA LAKE | |
| TID | |
| UKIAH | |