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# Minutes

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**Date:** November 10, 2022  
**To:** NCPA Facilities Committee  
**From:** Carrie Pollo  
**Subject:** November 2, 2022 Facilities Committee Meeting Minutes

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- 1. Call Meeting to Order & Roll Call** – The meeting was called to order by Committee Chair Jiayo Chiang (Lodi) at 9:03 am. Attending via teleconference and/or on-line presentation were Alan Harbottle (Alameda), Dennis Schmidt (Biggs), Cliff Wagner (Gridley), Melissa Price, and Janice Magdich (Lodi), CJ Berry (Lompoc), Shiva Swaminathan (Palo Alto), Nick Rossow (Redding), Basil Wong, Suds Jain, and Steve Hance (Santa Clara), and Cindy Sauers (Ukiah). Those attending in person are listed on the attached Attendee Sign-in Sheet. Committee Representatives from BART, Healdsburg, Plumas-Sierra, Port of Oakland, Shasta Lake, and TID were absent. A quorum of the Committee was established.

## **PUBLIC FORUM**

No public comment.

## **OPEN SESSION**

## **DISCUSSION / ACTION ITEMS**

- 2. Approval of Minutes from the October 5, 2022 Regular and Special Facilities Committee Meetings.**

Motion: A motion was made by Cliff Wagner and seconded by Basil Wong recommending approval of the October 5, 2022 Regular and Special Facilities Committee meeting minutes. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Lompoc, Palo Alto, Redding, Roseville, Santa Clara, and Ukiah. The motion passed.

- 3. Geysers Power Company, LLC Power Purchase Agreement** – Staff presented background information and was seeking a recommendation for Commission approval of a Power Purchase Agreement (PPA) between NCPA and Geysers Power Company, LLC, pursuant to which NCPA will purchase Products produced by certain geothermal resources owned and operated by the Geysers Power Company, LLC.

The Calpine Geothermal Offer (Geysers Power Company, LLC PPA) is for a twelve year term commencing on January 1, 2025. Volume of the project is 50 MW daily for the first two years, and then 100 MW daily for an additional ten years for a total term of twelve years. Products from this project include renewable energy and resource adequacy capacity with the energy value delivered via IST. Price is being negotiated. The proposed transaction structure will include two transaction

confirmations for resource adequacy and renewable energy. The transactions are based on the WSPP Agreement dated August 12, 2021. Staff reviewed and discussed both transactions with the Committee.

Key considerations were also discussed including credit and risk management, regularity change risk and product definitions, event of default provisions, and other commercial terms. Credit and collateral for the Geysers Power Company, LLC were discussed with the Committee. Staff has asked for feedback from Members regarding credit and collateral. No action was taken on this item. The Committee will schedule a Special Facilities Committee meeting to discuss and approve this item before taking it to the Commission for final approval in December.

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

This is a new agreement with an existing NCPA vendor. 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. NCPA has agreements in place for similar services with RAM Mechanical, TCB Industrial, TNT Industrial and Wagner Mechanical. 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. A draft Commission Staff Report and 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 Performance Mechanical, Inc. for general T&M maintenance services, 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 any facilities owned and/or operated by NCPA, NCPA Members, by SCPPA and SCPPA Members. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Palo Alto, Roseville, Santa Clara, and Ukiah. ABSTAIN = Redding. The motion passed.

- 5. All NCPA Facilities, Members, SCPPA – TNT Industrial Contractors, Inc. MTGSA – Staff** presented background information and was seeking a recommendation for Commission approval of a five-year Multi-Task General Services Agreement TNT Industrial Contractors, Inc. for general T&M maintenance services, with a not to exceed amount of \$2,000,000, for use at all facilities owned and/or operated by NCPA, NCPA Members, by SCPPA, and SCPPA Members.

This is a new agreement with an existing NCPA vendor. 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. NCPA has agreements in place for similar services with Performance Mechanical, RAM Mechanical, TCB Industrial and Wagner Mechanical. 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. A draft Commission Staff Report and agreement were available for review. It is recommended to place this item on the Commission Consent Calendar.

Motion: A motion was made by Cindy Sauers and seconded by Alan Harbottle recommending Commission approval authorizing the General Manager or his designee to enter into a Multi-Task

General Services Agreement with TNT Industrial Contractors, Inc. for general T&M maintenance 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 any facilities owned and/or operated by NCPA, NCPA Members, by SCPPA and SCPPA Members. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Palo Alto, Roseville, Santa Clara, and Ukiah. ABSTAIN = Redding. The motion passed.

- 6. All NCPA Facilities, Members, SCPPA – NorCal Power Services, LLC First Amendment MTGSA** – Staff provided background information and was seeking a recommendation for Commission approval of a First Amendment to the Multi-Task General Services Agreement with NorCal Power Services, LLC for electrical maintenance related services, increasing the not-to-exceed amount from \$500,000 to \$1,500,000 and amending Exhibit B – Compensation Schedule and Hourly Fees, for continued use at all facilities owned and/or operated by NCPA, NCPA Members, by SCPPA, and SCPPA Members.

NCPA entered into a five year Multi-Task General Services Agreement with NorCal Power Services, LLC effective September 1, 2020, for an amount not to exceed \$500,000, for use at any facilities owned and/or operated by NCPA, NCPA Members, by SCPPA, and SCPPA Members. This agreement has been used by NCPA Members through NCPA's Support Services Program. NCPA's Geothermal Facility recently awarded work to NorCal Power Services, LLC for SF6 breaker testing and refurbishment services, which will result in this agreement running low on funds. NCPA now desires to enter into a First Amendment to the current Multi-Task General Services Agreement, increasing the not to exceed amount from \$500,000 to \$1,500,000 to ensure there are sufficient funds available for the remainder of the contract term. Exhibit B – Compensation Schedule and Hourly Fees will also be amended as requested by the vendor to reflect an increase in labor and material costs. This agreement will continue to be available for use at any facility owned and/or operated by NCPA, NCPA Members, by SCPPA, and SCPPA Members.

NCPA has agreements in place for similar services with Electrical Maintenance Consultants, Gold Electric, Inc., Eaton Corporation, Electrical Power Systems International, Inc., and Knight's Electric, Inc. 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. A draft Commission Staff Report, original agreement, and draft First Amendment 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 First Amendment to the five year Multi-Task General Services Agreement with NorCal Power Services, LLC for electrical maintenance related services, with any non-substantial changes recommended and approved by the NCPA General Counsel, increasing the not-to-exceed amount from \$500,000 to \$1,500,000 and amending Exhibit B – Compensation Schedule and Hourly Fees, for continued 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, Biggs, Gridley, Lodi, Palo Alto, Roseville, Santa Clara, and Ukiah. ABSTAIN = Redding. The motion passed.

- 7. NCPA Geothermal Facility – WSA Engineered Systems, Inc. First Amendment MTGSA** – Staff provided background information and was seeking a recommendation for Commission approval of a First Amendment to the Multi-Task General Services Agreement with WSA Engineered Systems, Inc. for equipment, materials and off-site maintenance labor (Wisconsin) to dismantle, clean and inspect automatic brush/ball tube cleaning systems, accepting assignment to WSA Engineered Systems, LLC, with no change to the contract term or not-to-exceed amount, for continued use at NCPA's Geothermal Facility.

NCPA entered into a five year Multi-Task General Services Agreement with WSA Engineered Systems, Inc., effective November 1, 2018, to provide equipment, materials and off-site maintenance labor (Wisconsin) to dismantle, clean and inspect the automatic brush/ball tube cleaning systems at NCPA's Geothermal facility. Effective September 29, 2022, WSA Engineered Systems, Inc. changed its name to WSA Engineered Systems, LLC. NCPA now desires to enter into a First Amendment to the Multi-Task General Services Agreement accepting assignment to WSA Engineered Systems, LLC. WSA Engineered Systems, Inc. is the original equipment manufacturer (OEM) for the brush/ball tube cleaning system at NCPA's Geothermal facility and, as such, NCPA does not have other agreements in place for similar services at this time. 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. A draft Commission Staff Report, original agreement, and draft First Amendment were available for review. It is recommended to place this item on the Commission Consent Calendar.

Motion: A motion was made by Cindy Sauers and seconded by Brian Schinstock recommending Commission approval authorizing the General Manager or his designee to enter into a First Amendment to the Multi-Task General Services Agreement with WSA Engineered Systems, Inc. for equipment, materials and off-site maintenance labor (Wisconsin) to dismantle, clean and inspect automatic brush/ball tube cleaning systems, with any non-substantial changes recommended and approved by the NCPA General Counsel, accepting assignment to WSA Engineered Systems, LLC, for continued use at NCPA's Geothermal facility. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Palo Alto, Roseville, Santa Clara, and Ukiah. ABSTAIN = Redding. The motion passed.

8. **BART Meter Data Management Agent Services Agreement** – Staff presented background information and was seeking a recommendation for Commission approval of a Meter Data Management Agent Services Agreement (MDMA) between NCPA and Trimark Associates, Inc., to provide MDMA services to the San Francisco Bay Area Rapid Transit District (BART) pursuant to the BART Single Member Services Agreement (SMSA).

Under the existing NCPA and San Francisco Bay Area Rapid Transit District (BART) Single Member Services Agreement (SMSA), NCPA can acquire the services of a third party (with authorization from BART) to supply meter data management services to obtain, process, adjust, validate, and maintain BART's settlement quality meter data in accordance with the CAISO Tariff.

Trimark Associates, Inc. has historically provided Meter Data Services on behalf of NCPA for BART. The current agreement between Trimark Associates, Inc. and NCPA is set to expire the middle of December 2022. This is a renewal agreement with Trimark Associates, Inc. for meter data management services.

Trimark Associates, Inc. provides specialized services to complete the Scope of Services requested, including the technical systems required to collect and process meter data. Trimark Associates, Inc. is currently the only company able to provide these specialized services. This is a critical service required to ensure BART can schedule, transact, and perform settlements in accordance with the CAISO Tariff requirements. The existing vendor has established the process and procedure for polling a significant number of BART meters and metering equipment, and works directly with PG&E to collect and validate meter data that is not directly accessible from the metering equipment. This agreement is for use at BART facilities only. A draft agreement was available for review. It is recommended to place this item on the Commission Consent Calendar.

Motion: A motion was made by Shiva Swaminathan and seconded by Basil Wong recommending Commission approval authorizing the General Manager or his designee to enter into a two year General Services Agreement between NCPA and Trimark Associates, Inc. in an amount not to exceed \$300,000 for use to supply Meter Data Management Agent services on behalf of the San Francisco Bay Area Rapid Transit District; including any modifications to the General Services

Agreement approved by NCPA's General Counsel. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Palo Alto, Redding, Roseville, Santa Clara, and Ukiah. The motion passed.

**9. Settlements Summary Results for FY 2022** – Staff presented the settlements summary results for FY 2022 and was seeking a recommendation for Commission approval of the FY 2022 Annual Billing Settlement for the period of July 1, 2021 through June 30, 2022.

This year's Net Refund of Excess Collections due to participants at fiscal year-end was \$5.73 million or 0.9% of Collections (net of credits) to date. The sources of these refunds were as follows: (1) Net Generation & Transmission operating costs of \$3.0 million); (2) Management Services costs of \$2.0 million; and (3) Pass-Through Costs and Interest and Other Income of \$0.7 million. Fuel, CAISO charges and energy and ancillary services sales do not play a material role in the annual settlements process as those items are adjusted monthly in the Agency's All Resources Bill when the actual costs for these categories are invoiced by NCPA.

Next steps include presenting the final FY 2022 Annual Billing Settlement for the period of July 1, 2021 through June 30, 2022 to the LEC PPC on November 7, the Utility Director's on November 17, with final Commission approval on December 1, 2022.

Motion: A motion was made by Jiayo Chiang and seconded by Shiva Swaminathan recommending Commission approval of the FY 2021-2022 Annual Billing Settlements. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Palo Alto, Redding, Roseville, Santa Clara, and Ukiah. The motion passed.

**10. Reserve and Security Deposit Policies Study** – Staff provided a follow-up discussion of the draft recommendations of the deposit and reserve requirements study based on feedback received at the October Facilities Committee meeting. **\*\*Informational Only\*\***

The methodologies of the studies reviewed included:

- **Operating Reserves**
  - Hydroelectric Maintenance Reserve
  - Geothermal Maintenance Reserve
  - CT1 Maintenance Reserve
  - CT2 Maintenance Reserve
  - LEC Maintenance Reserve + O&M Reserve
- **NCPA Working Capital**
- **Security Deposits**
  - SCPA Balancing Account
  - Market Power Purchase Program
  - Gas Purchase Program

After discussion with Committee Members and UFS, staff created a model based on information gathered, which includes methodologies for the recommended range of reserves by plant and NCPA working capital, reserve calculation summaries for the plants based on the FY 2023 budget, NCPA working capital, and security deposit calculations. During these discussions, UFS agreed that NCPA was holding too much on deposit. As a best practice, they recommend NCPA hold the highest, single month of contract costs plus the two highest months of negative mark-to-market contract costs over the upcoming twelve months. In addition, NCPA also recommends that these programs' deposit requirements be updated biannually during the first and third quarters and/or at the time a market purchase(s) is completed.

The final security deposit methodology recommendations are listed below:

- **SCPA Account**
  - 2 Max months of the gross budgeted cost by Member
    - Justification: Necessary to cover NCPA float days between CAISO payment date and Pre-bill and to mitigate the risk of a member not paying or paying late
  - Lodi Energy Center Market Risk – LEC participants only
- **MPP, GPP Accounts, Third Phase Agreement, SMSA, and NGPP**
  - Max Budgeted Contract Month by Member
  - 2 Max months Mark to Market by Member
    - Justification: Necessary to cover the risk of a Member not paying or paying late plus the risk of variance between real-time market pricing and budget

**11. Market Purchase Program, Gas Purchase Program, NCPA Green Power Project, and Third Phase Agreement Deposit Requirement Adjustments** – Staff presented background information and was seeking a recommendation for Commission approval authorizing the General Manager or his designee to temporarily implement revised deposit requirements for the Market Purchase Program, Gas Purchase Program, NCPA Green Power Project, and Third Phase Agreements.

NCPA provides various Power Management services to its Members pursuant to various program-based agreements that are signed by the participating Member. These agreements provide for the obligation of participating Members to cover all costs and liabilities incurred through the program, thereby shielding non-participating Members from the procurement costs and risks of the program. The agreements in question are: 1) Market Purchase Program (MPP), 2) Gas Purchase Program (GPP), 3) Third Phase Agreements (e.g. PPAs), 4) NCPA Green Power Program (NGPP), and 5) Single Member Services Agreement (SMSA). Security Deposit Requirements in those agreements state the following:

“...a Participant shall insure that sufficient Security Deposit funds have been deposited with and are held by NCPA equal to the highest three (3) months of estimated [Project Costs / Commodity Costs, etc.]...”

In discussions with the consultant (UFS) who performed the Reserve and Security Deposit Study, they agreed that NCPA was holding too much on deposit. As a best practice, they recommended that NCPA hold the highest, single month of contract costs plus the two highest months of negative market-to-market contract costs over the upcoming twelve months. The Facilities Committee and NCPA recommend the Commission temporarily implement the revised deposit requirements until final recommendations and modified program agreements can be approved. In addition, the Committee also recommended that these programs’ deposit requirements be updated biannually during the first and third quarters and/or at the time a market purchase(s) is completed.

No formal action was taken due to the lack of a quorum at the time this item was presented. However, the general consensus of the Facilities Committee recommends Commission approval authorizing the General Manager or his designee to temporarily implement revised deposit requirements for the Third Phase Agreements, Market Purchase Program, Gas Purchase Program, NCPA Green Power Program, and Single Member Service Agreements (collectively “Programs”) based on the highest single-month contract costs plus the two highest months of negative Mark-to-Market over the upcoming twelve months period until final recommendations of the Reserve and Program Security Deposit Study can be approved by the Commission. The Programs’ deposit requirements shall be updated biannually during the first and third quarters and/or market purchase(s). This item will move forward to the next Commission Meeting on December 1, 2022.

**12. Appointment of Facilities Committee Chair and Vice Chair** – The 2022 Vice Chair Alan Harbottle will be appointed as the 2023 Chair and the Committee has nominated Shiva Swaminathan as the new Vice Chair.

No formal action was taken due to the lack of a quorum at the time this item was presented. This item will be brought back next month for final approval.

## **INFORMATIONAL ITEMS**

**13. New Business Opportunities** – No update was provided at the time of this meeting.

**14. NCPA Geothermal Steam Field Model Update** – Staff provided a presentation regarding a status report pertaining to the Geo Steam Field Model currently being performed by GeothermEx.

NCPA's project scope is to develop a numerical reservoir model of the Geysers Geothermal Field with an emphasis on the NCPA lease. NCPA has utilized its TETRAD model for years in addressing strategic resource questions including future steam production, pressure decline, and injection strategy. NCPA is transitioning from the previous TETRAD software to ECLIPSE simulation software. The ECLIPSE software allows for additional inputs and improvements to better address those questions, with more advanced modeling capabilities, higher model resolution, marked improvement on visualization, field management, geological representation, and well data repository.

Milestones of the Project include:

- Task 1: Prepare well and resource data/history for model
  - Utilize a resource software named Petrel
    - Petrel is a subsurface analyzation software and works as the data platform for ECLIPSE
  - Establish a well data repository (Well locations, designs, steam entries, etc.)
  - Conduct a comprehensive Quality Control Process (all well and production data in one location)
- Task 2: History matching and model calibration
  - Conceptual Model Review (fluid flow, reservoir boundaries)
  - Model Initialization (Grid set up, thermodynamic conditions)
  - History Matching (production and injection allocations)
- Task 3: Reservoir Forecast (8 scenarios)
- Task 4: Formal Report

Task 1 objectives have been completed by GeothermEx (Schlumberger). Task 2 is currently underway with grid set up, property assignment, and history matching.

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

**CTs** – CT1 had 5 actual starts, with 2 in real time, of 13 forecasted. FYTD total is 80 starts. CT2 had 3 actual starts, all in real time this month, of 12 forecasted. FYTD total is 18 starts. CT2 was in a forced outage October 31 – November 1, 2022 to repair HRSG tube leaks. Planned outages coming up include CT1 Lodi – February 1 – 28, 2023, CT1 Alameda Unit 1 and 2 – March 1 – 31, 2023, and CT2 STIG – April 1 – 30, 2023. CT1 Lodi corrected run hours is 172.5 (86%) of 200 allowed based on a calendar year. CT1 Alameda Diesel Unit 1 has used 7.66 hours of 20, and Unit 2, 8.15 hours of 20, based on a rolling year. Staff reviewed the CAISO Commitment Runs for October 2022.

**Hydro** – Collierville (CV) Power House had 52% availability due to the annual outage during the month of October. New Spicer Meadows Power House was at 100% availability. New Spicer Meadows storage decreased by 7,160 acre feet at 8% month over month from 87,450 acre feet to 80,2090 acre feet as of November 2, 2022. At this time last year New Spicer Meadows Reservoir

storage was 60,040 acre feet. Planned maintenance outages for Spicer Powerhouse Units 1, 2, and 3 were completed September 23, 2022. The CV dual unit outage was completed October 1-2, 2022. CV Units 1 and 2 annual maintenance was completed October 28, 2022. The CV cooling water pump installation will be completed November 4, 2022. Maintenance in the upper watershed included Alpine Dam face repairs which will be completed November 4, 2022, maintenance at Union Dam to be completed November 11, 2022, and Utica valve operator replacement mid-November.

**Geo** – There were no safety incidents to report for the month of October. Safety training is 74% complete. Plant 1 fire system testing was completed October 26, 2022. The average net generation level for the month was 85.5 MW. EH&S notables for October include H-Line pipeline repairs, and 230 kV transmission line repairs. Total net generation was 63.6 GWh. The actual year 2022 net generation was 655.7 GWh YTD, 1.9% over forecasted. The year 2022 net generation forecast was 643.4 GWh YTD. Maintenance for the month included preparation for the Plant 2 Unit 4 overhaul, Unit 3 Cooling Tower Basin Clean-Out Project was completed, and Steam Field wireline surveys were performed.

## 16. Planning and Operations Update –

### - **Current Resource Integration Activities**

- Resource Integrations In Progress
  - Antelope Solar (NCPA) – November 2022
  - Sandborne Storage – Q1 2023
  - Dagget Solar / Storage – Q2 2023
  - Scarlet Solar / Storage – Q3 2023
  - Pending Lodi Thermal Project – June 2023
  - Proxima Solar / Storage – Q1 2024
  - Deer Creek – On Hold

- **Meter Maintenance Program Development Status** – NCPA staff is working on a draft Program Agreement and a consulting services agreement. Once the draft agreements are complete, staff will present both agreements to the Committee for review and comments before a recommendation for Commission approval.

**17. Next Meeting** – The next regular Facilities Committee meeting is scheduled for December 7, 2022.

## **ADJOURNMENT**

The meeting was adjourned at 1:04 pm by the Committee Chair.





**Northern California Power Agency  
November 2, 2022 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>Joey Claray</i>
LOMPOC	
PALO ALTO	
PLUMAS-SIERRA REC	
PORT OF OAKLAND	
REDDING	
ROSEVILLE	<i>BRIAN SCHINSTOCK</i>
SANTA CLARA	
SHASTA LAKE	
TID	
UKIAH	