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Minutes

Date: November 16, 2020
To: NCPA Facilities Committee
From: Carrie Pollo
Subject: November 4, 2020 Facilities Committee Meeting Minutes

- 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 on-line presentation were Alan Harbottle, and Vidhi Chawla (Alameda), Mark Sorensen (Biggs), Jiayo Chiang (Lodi), Tikan Singh (Lompoc), Poorvi Rao (Palo Alto), Mike Brozo (Plumas-Sierra), Khaly Nguyen (Port of Oakland), Nick Rossow (Redding), Basil Wong, and Monica Nguyen (Santa Clara), and Willie Manuel (TID). Those attending in person are listed on the attached Attendee Sign-in Sheet. Committee Representatives from BART, Gridley, Healdsburg, and Ukiah 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 7, 2020 Facilities Committee meeting.**

Motion: A motion was made by Basil Wong and seconded by Tikan Singh recommending approval of the October 7, 2020 Facilities Committee meeting minutes. A vote was taken by roll call: YES = Alameda, Biggs, Lodi, Lompoc, Palo Alto, Plumas-Sierra, Port of Oakland, Redding, Roseville, and Santa Clara. The motion passed.

- 3. All NCPA Facilities, Members, SPPA – ORR Protection Systems, Inc. First Amendment to MTGSA** – Staff presented background information and was seeking a recommendation for Commission approval of a First Amendment to the Multi-Task General Services Agreement with ORR Protection Systems, Inc., increasing the not to exceed amount from \$1,500,000 to \$3,000,000, with no change to the contract term, for continued use at all facilities owned and/or operated by NCPA, NCPA Members, SPPA, and SPPA Members. All purchase orders will be issued following NCPA procurement policies and procedures.

NCPA entered into a five-year Multi-Task General Services Agreement with ORR Protection Systems, Inc., effective April 17, 2020, for an amount not to exceed \$1,500,000. In July 2020, a

Request for Proposal was released for the NCPA Geothermal Plant 1 Fire System Modernization Project, with bids due on July 16, 2020. NCPA received only one bid, which was much higher than the project engineering estimate. To ensure competitiveness, Geo staff updated the project scope and released an updated Request for Proposal, with bids due on August 4, 2020. NCPA received bids from ORR Protections Systems, Inc. and Sabah International, Inc., with a third vendor, Johnson Controls, Inc., declining to bid. ORR Protection Systems, Inc. was the apparent winner, with a bid total of \$1,298,751. This First Amendment will increase the not to exceed amount from \$1,500,000 to \$3,000,000. This will ensure there are sufficient funds available for both the Geothermal Plant 1 Fire System Modernization Project, as well as for the remaining term of the enabling agreement. This agreement is still available for use at all facilities owned and/or operated by NCPA, NCPA Members, by SCPPA, and by SCPPA Members. NCPA currently has agreements in place for similar services with Sabah International, Inc., Fire Safety Supply Company, Bay Cities Pyrotector, Inc. and Bay Cities Fire Protection, Inc.

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 First Amendment to the Multi-Task General Services Agreement with ORR Protection Systems, Inc., with any non-substantial changes recommended and approved by the NCPA General Counsel, increasing the not to exceed amount from \$1,500,000 to \$3,000,000, for continued 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, Lodi, Lompoc, Palo Alto, Plumas-Sierra, Port of Oakland, Redding, Roseville, and Santa Clara. The motion passed.

4. **NCPA Facilities, Members, SCPPA – Tesco Controls, Inc. MTGSA –** Staff presented background information and was seeking a recommendation for Commission approval of a five-year Multi-Task General Services Agreement with Tesco Controls, Inc. for integrated electrical and process control systems 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 new agreement with a new vendor. It is an enabling agreement with no commitment of funds. NCPA's Geothermal staff was contacted by Tesco Controls, Inc., 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 entering into an enabling agreement with Tesco Controls, Inc., 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 facility results in more competitive bidding when services are needed. Agreements in place for similar services include Nor-Cal Controls ES, Inc., Wunderlich-Malec, Systems, Inc., and dHeurle Systems, Inc. (pending).

Motion: A motion was made by Mike Brozo 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 Tesco Controls, Inc. to provide integrating electrical and process control systems 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, Lodi, Lompoc, Palo Alto, Plumas-Sierra, Port of Oakland, Redding, Roseville, and Santa Clara. The motion passed.

5. **NCPA Geothermal Facility – Fifth Amendment to the Amended and Restated Steam Suppliers Joint Operating Agreement Southeast Geysers Effluent Pipeline Project –** Staff was seeking a recommendation for Commission approval of the Fifth Amendment to the Amended and Restated Steam Suppliers Joint Operating Agreement Southeast Geysers Effluent

Pipeline Project, updating the Cost Responsibility calculation used and extending the agreement expiration date for an additional two years. ***This item was not ready. It was pulled from the agenda, and will be brought back to a future meeting.***

- 6. All NCPA Facilities, Members, SCPPA - Process Innovations, Inc. First Amendment to MTCSA –** Staff presented background information and was seeking a recommendation for Commission approval of a First Amendment to transfer assignment of Five-Year Multi-Task Consulting Services Agreement for OSISoft PI support services to Brandenburg Holdings, LLC dba Process Innovations/Process Plugins, and approval of related Standard Software License Agreement, 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.

On January 23, 2020, NCPA entered into a five-year Multi-Task Consulting Services Agreement for OSISoft PI support services with Process Innovations, Inc. On August 31, 2020, Process Innovations, Inc. was acquired by Brandenburg Holdings, LLC dba Process Innovations/Process Plugins, and wishes to accept assignment of the contract via this First Amendment to the Multi-Task Consulting Services Agreement. In 2015, when the initial Consulting Services Agreement was executed, NCPA entered into a Software License Agreement related to the services. Due to the acquisition by Brandenburg Holdings, LLC dba Process Innovations/Process Plugins, an updated license agreement is needed.

Motion: A motion was made by Tikan Singh 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 Consulting Services Agreement with Process Innovations, Inc. to transfer assignment of the agreement to Brandenburg Holdings, LLC dba Process Innovations/Process Plugins for OSISoft PI support services, and further approval of the related Standard Software License Agreement, both with any non-substantial changes recommended and approved by the NCPA General Counsel, which Consulting Services Agreement shall not exceed \$500,000 over five years, for continued 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, Lodi, Lompoc, Palo Alto, Plumas-Sierra, Port of Oakland, Redding, Roseville, and Santa Clara. The motion passed.

- 7. Settlements Summary Results for FY20 –** Staff reviewed results of the settlements summary for FY 2020, and was seeking a recommendation for Commission approval of the FY 2020 Annual Billing Settlement for the period of July 1, 2019 through June 30, 2020.

This year's Net Refund of Excess Collections due to participants at fiscal year-end was \$5.58 million or 1.2% of Collections (net of credits) to date. The sources of these refunds were as follows: (1) Net Generation & Transmission operating costs of \$2.9 million; (2) Management Services costs of \$1.4 million; and (3) Pass-Through Costs and Interest and Other Income of \$1.3 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. The final settlement summary for FY 2020 will be presented to the LEC PPC, Utility Directors, and then on to the Commission for approval on December 3, 2020. Member refunds will be deposited into respective GOR accounts, unless otherwise requested per Member. Non-Members will receive a miscellaneous credit billing on the next ARB.

Motion: A motion was made by Brian Schinstock and seconded by Jiayo Chiang recommending Commission approval of the FY 2020 Annual Billing Settlements as presented 11/04/2020 for the period of July 1, 2019 through June 30, 2020, totaling approximately \$5.58 million. A vote was

taken by roll call: YES = Alameda, Biggs, Lodi, Lompoc, Palo Alto, Plumas-Sierra, Port of Oakland, Redding, Roseville, Santa Clara, and TID. The motion passed.

- 8. Professional Services Agreement between NCPA and BAMx Members** – Staff provided background information for the Bay Area Municipal Transmission (BAMx) Agreement, and was seeking a recommendation for Commission approval of a five-year Professional Services Agreement between NCPA and the Cities of Palo Alto and Santa Clara, (BAMx Members), with a not to exceed amount of \$3,250,000.

The cities of Palo Alto and Santa Clara have joined together to form a working group known as the BAMx Members. Under this arrangement the BAMx Members work together to improve the reliability and cost-effectiveness of transmission service they receive through the CAISO. The BAMx Members previously requested Northern California Power Agency (NCPA) to enter into a consulting services arrangement on their behalf with Flynn Resource Consultants Inc., (Flynn RCI), under which Flynn RCI would act as project manager and shall coordinate the efforts of BAMx. In response to this request, NCPA has worked with the BAMx Members to develop a professional services agreement, and consulting services agreement under which the services requested may be provided.

The Professional Services Agreement between NCPA and the Cities of Palo Alto and Santa Clara (the Professional Services Agreement) describes NCPA's obligation to act as the billing agent on behalf of the BAMx Members with respect to the services provided under the Consulting Services Agreement between NCPA and Flynn RCI (the Consulting Services Agreement). Charges incurred under the Consulting Services Agreement will be allocated and billed to the BAMx Members in accordance with the Professional Services Agreement.

Motion: A motion was made by Basil Wong and seconded by Tikan Singh recommending Commission approval authorizing the General Manager or his designee to enter into a five-year Professional Services Agreement between NCPA and the cities of Palo Alto and Santa Clara, (BAMx Members), with a not to exceed amount of \$3,250,000 with any non-substantial changes recommended and approved by NCPA General Counsel. A vote was taken by roll call: YES = Alameda, Lodi, Lompoc, Palo Alto, Plumas-Sierra, Port of Oakland, Redding, Roseville, and Santa Clara. The motion passed.

- 9. Consulting Services Agreement between NCPA and Flynn Resource Consultants, Inc.** – Staff provided background information and was seeking a recommendation for Commission approval of a five-year Consulting Services Agreement between NCPA and Flynn Resource Consultants Inc. (Flynn RCI), under which Flynn RCI is to act as project manager and shall coordinate the efforts of BAMx Members with a not to exceed amount of \$3,250,000.

Pursuant to the Professional Services Agreement, NCPA will enter into the Consulting Services Agreement on behalf of the BAMx Members. Under the Consulting Services Agreement, Flynn RCI will provide various services to the BAMx Members, including monitoring, meeting participation, coordinating with affected or other participating parties, and as necessary, preparing and submitting formal position submittals for the following subject matters: grid planning activities, CPUC and CEC transmission matters, and California market design activities.

Motion: A motion was made by Basil Wong and seconded by Tikan Singh recommending Commission approval authorizing the General Manager or his designee to enter into a five-year Consulting Services Agreement between NCPA and Flynn Resource Consultants Inc. (Flynn RCI), under which Flynn RCI is to act as project manager and shall coordinate the efforts of BAMx Members with a not to exceed amount of \$3,250,000 with any non-substantial changes recommended and approved by NCPA General Counsel. A vote was taken by roll call: YES =

Alameda, Lodi, Lompoc, Palo Alto, Plumas-Sierra, Port of Oakland, Redding, Roseville, and Santa Clara. The motion passed.

10. 2021 Major Insurance Renewal Proposal – Staff presented background information and was seeking a recommendation for Commission approval of NCPA Major insurance renewals for 2021.

Since there is only one more Commission Meeting before expiration of the insurance policies, staff will estimate premiums based on trends, data, and etc. Based on the current information, staff request General Manager Authority to negotiate and bind contracts based on not-to-exceed limits of \$3,122,000 for the property premium, and \$1,483,200 for excess liability, with a total not-to-exceed premium amount of \$4,605,300. Insurance premiums increased approximately 25-30% nationwide in 2019 and 30-50% in 2020. Recent devastating California wildfires put CA accounts under increased scrutiny and rate hikes. The excess liability/casualty market is extremely disrupted & stressed with a loss of \$400,000,000 in the past two years. Staff will report back to the Facilities Committee with final premiums after the final quotes are received.

Motion: A motion was made by Brian Schinstock and seconded by Jiayo Chiang recommending Commission approval delegating authority to the General Manager to negotiate and bind property damage and liability coverage amounts as presented (or better) with a not-to-exceed amount of the proposed premiums of approximately \$4,605,300. A vote was taken by roll call: YES = Alameda, Lodi, Lompoc, Palo Alto, Plumas-Sierra, Port of Oakland, Redding, Roseville, and Santa Clara. The motion passed.

INFORMATIONAL ITEMS

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

South Sutter Water District is seeking scheduling coordinator and dispatch services with a possible long term PPA for project output. Camp Far West Hydroelectric Project is a 6.8MW reservoir outlet hydroelectric project. This is a run-of-river project with its primary focus on irrigation for rice farming. It is RPS and RA eligible, and will be available in 2021. Indicative offers are due November 20, 2020.

El Dorado Irrigation District is seeking indicative offers for scheduling services of their P184 Powerhouse, which is two 10MW hydroelectric units for a total 20.9MW output. This is a run-of-river project with the diversion canal source flow controlled. It is RPS and RA eligible, and will be available in 2021.

Haypress Powerhouse is also seeking indicative offers for scheduling services of two 5MW hydroelectric power units totaling 10MW. This is certified RPS and RA eligible for Sierra Local. It is a run-of-river type project as well, with an average 16,100MWh annually.

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

Geo – There was one safety incident when a contractor damaged a light pole. There was also one near miss when a steam valve was left open prior to a wireline operation. The safety training for staff is 85% completed. The net generation for October 2020 was 78.2 MW with the YTD net generation at 603.9 GWh, 0.3% above the forecast. An October 25-27, 2020 PG&E PSPS event took both the Fulton and Lakeville Transmission lines out of service. Steam Field activities included conducting wireline surveys, and repairing the Bear Canyon, and P-Site roads. Fifty-one

new industrial doors were installed at the plants. Locks and signage still need to be installed for these. Development of an engineering package for eye wash stations began with laser surveys of the plant areas. The current balance for the Maintenance Reserve is \$928,555. The balance for FY 2021 after projects should be \$822,372, with the FY 2022 balance at \$558,555 after the Plant #2 overhaul.

CTs – October operations included 22 actual starts for CT1, of 21 forecasted, plus an additional 25 ghost starts, bringing the FYTD total to 139. CT2 had 23 actual starts of 0 forecasted, bringing the FYTD total to 72. Two forced outages occurred during the month. CT1's outage was due to bleed valve replacement. CT2 also experienced a forced outage due to a long PG&E gas line outage. Other repairs at CT2 included gear box temperature, nozzle steam valve, ignition transformer, gas compressor, and the HP drum level during that outage. There were no planned outages.

Hydro – Collierville was in a dual unit outage the weekend of October 10-11, 2020 for debris removal. Collierville Unit 1 was in an outage from October 12 – 23, 2020 for annual maintenance. Ebbetts Pass Fire Department performed high angle rope rescue training during the month. New Spicer Meadows (NSM) storage is currently at 81,732 acre-feet, with a goal of no less than 80,000 acre-feet by the end of December 2020. The long-term meteorology forecast is for a La Nina year. November priorities include Collierville Unit 2 outage for annual maintenance November 9 – 20, 2020. Cloud seeding started November 1, 2020 for the coming winter. Weather Modification is the vendor performing the cloud seeding. Reserve maintenance funds will be approximately \$22 million by the end of FY 2021.

13. Planning and Operations Update –

- NCPA Renewables RFP – Staff is seeking member feedback regarding interest in these 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.
- The 2021 Annual RA Filings have been submitted to the CAISO.
- The Sonoma Clean Power Services Agreement has been executed. Integration is underway.
- Strategic Planning Effort – Member meetings continue.
- LEC MSG discussions have started with internal staff meetings.
- EBCE – The automatic extension was triggered November 2, 2020 for this services agreement.
- COVID-19 Update – Operations continue in a dual mode of the NCPA dispatch and scheduling functions.

14. Next Meeting – The next regular Facilities Committee meeting is scheduled for December 2, 2020.

ADJOURNMENT

The meeting was adjourned at 11:18 am.