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Minutes

Date: December 9, 2020
To: NCPA Facilities Committee
From: Carrie Pollo
Subject: December 2, 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 9:03 am. A sign-in sheet was passed around. 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), Khaly Nguyen (Port of Oakland), Nick Rossow, and Steve Hance, Basil Wong, Paulo Apolinario, and Monica Nguyen (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, TID, and Ukiah were absent. A quorum of the Committee was established.

PUBLIC FORUM

No public comment.

OPEN SESSION

DISCUSSION / ACTION ITEMS

- 2. Approval of the November 4, 2020 Regular and Special Facilities Committee meeting minutes.**

Motion: A motion was made by Brian Schinstock and seconded by Basil Wong recommending approval of the November 4, 2020 Regular and Special Facilities Committee meeting minutes. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Palo Alto, Port of Oakland, Redding, Roseville, and Santa Clara. The motion passed.

- 3. All NCPA Facilities, Members, SCPPA – Utility System Efficiencies, Inc. MTPSA** – Staff presented background information and was seeking a recommendation for Commission approval of a Multi-Task Professional Services Agreement with Utility System Efficiencies, Inc., for consulting services related to WECC and NERC reliability criteria, with a not to exceed amount of \$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.

NCPA had a previous agreement in place with Utility System Efficiencies, Inc., which is running low on funds. 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. NCPA does not have any other agreements for similar services with any other vendors at this time.

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 Professional Services Agreement with Utility System Efficiencies, Inc. for WECC and NERC reliability related consulting services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$500,000 over five years, for use at all facilities owned and/or operated by NCPA, NCPA Members, by SCPPA, or by SCPPA Members. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Palo Alto, Port of Oakland, Redding, Roseville, and Santa Clara. The motion passed.

- 4. Authorize the NCPA General Manager To Execute an Amended Confirmation No. 0117 for Burns & McDonnell Services to City of Lodi/Lodi Electric Utility and Issue a Corresponding Purchase Order under the NCPA Support Services Program –** Staff was seeking authorization for the General Manager or his designee to execute an amended confirmation for Burns & McDonnell Services to the City of Lodi/Lodi Electric Utility and issue a corresponding purchase order under the NCPA Support Services Program Agreement. The amended confirmation exceeds the General Manager's signing authority which requires Commission approval. If recommended for approval, this item will be placed on the December 3, 2020 Commission agenda.

The City of Lodi became a signatory to the Northern California Power Agency (NCPA) Support Services Program Agreement (SSPA) on September 7, 2016, in which agreement authorizes among other things, the purchase or acquisition of goods and services by NCPA Members through use of NCPA's agreements with its vendors. In June 2019 the City of Lodi/Lodi Electric Utility (Lodi) submitted a Member Task Request under the SSPA for preliminary engineering, design, and environmental analysis services from Burns & McDonnell for the PG&E No. San Joaquin 230kV Transmission PEA Development Project. Confirmation No. 0117 was executed between NCPA and Lodi and a Purchase Order was issued in August 2019 for the services. The initial Confirmation and Purchase Order were within the procurement authority of NCPA's General Manager.

Burns & McDonnell has informed Lodi that changes to the California Public Utilities Commission (CPUC) process and deliverables have affected the approach and schedule for the project. Most notably, Burns & McDonnell advised that the CPUC has increased the data and information required to submit a PEA and added additional steps that have increased the schedule and duration of activities. As a result, the cost for the Burns & McDonnell services has increased by \$39,071, which results in a total of \$268,361. Lodi has requested that NCPA amend the original Confirmation and increase the Purchase Order amount accordingly. If approved, Amended Confirmation No. 0117 provides that NCPA agrees to provide the requested support services through its contract with Burns & McDonnell in the amount not-to-exceed \$268,361. With the addition of NCPA's administrative fees, the total amount expended under the Amended Confirmation will not exceed \$275,811. The services are expected to be completed before October 25, 2021.

Motion: A motion was made by Jiayo Chiang and seconded by Brian Schinstock recommending Commission approval authorizing the General Manager or his designee to execute Amended Confirmation Number 0117, with any non-substantive changes as approved by the NCPA General Counsel, and issue a corresponding Purchase Order to Burns & McDonnell for additional engineering, design, and environmental analysis services for the Pacific Gas & Electric Northern San Joaquin 230kV Transmission PEA Development Project. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Palo Alto, Plumas-Sierra, Port of Oakland, Redding, Roseville, and Santa Clara. The motion passed.

- 5. Update to the 2021 Major Insurance Renewal Proposal** – Staff provided an update regarding recent feedback from the markets and was seeking a new recommendation for Commission approval increasing to the not-to-exceed amount of the NCPA Major Insurance renewals for 2021. If recommended for approval, this item will be placed on the December 3, 2020 Commission agenda.

NCPA utilizes the insurance brokerage services of Aon Risk Solutions, San Francisco, California to market and place NCPA's insurance programs. Each insurance policy and the related insurance market conditions are reviewed prior to the renewal date and remarketed as required to qualified insurers experienced in underwriting the applicable insurance risk. Current property and liability insurance coverage expires on December 15 and December 31, 2020, respectively.

This year NCPA, together with Aon, marketed NCPA's insurance programs to both existing and prospective underwriters (UWs), a total of 22 UWs from 15 different insurers, focused on presenting NCPA's proactive enterprise risk management approach, and its rigorous loss prevention programs. The property insurance market had been soft for many years. It turned around in 2017-18, triggered by floods in Texas, hurricanes along the east coast, the devastation of Puerto Rico, and wildfires in California. NCPA management's commitment to loss prevention and the marketing effort successfully improved the insurance underwriters' confidence and knowledge of NCPA's business and risk profile.

Due to the current wildfires in California, underwriters are not ready to quote NCPA's program before assessing their potential exposures. While NCPA and Aon are still in the process of securing final quotes, staff requests the Commission grant the authority to the General Manager to negotiate and bind coverages with not-to-exceed rates for the 2021 renewal premiums totaling \$5,783,200. This is an increase to the property insurance program of almost \$900k from prior Committee discussions, with estimates of 60% increase to Property, 50% to Casualty, and \$35 million in wildfire liability insurance.

Motion: A motion was made by Basil Wong and seconded by Mike Brozo recommending Commission approval delegating authority to the NCPA General Manager to negotiate and bind property damage and casualty coverage amounts as presented (or better) and a not-to-exceed proposed premiums of approximately \$5,783,200. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Palo Alto, Plumas-Sierra, Port of Oakland, Redding, Roseville, and Santa Clara. The motion passed.

6. Appointment of Facilities Committee Chair and Vice Chair

The Facilities Committee has appointed Basil Wong, City of Santa Clara, as the 2021 Chair and has nominated Jiayo Chiang, City of Lodi, as the new Vice Chair.

Motion: A motion was made by Shiva Swaminathan and seconded by Mike Brozo recommending approval of the 2020 Vice Chair, Basil Wong, to be appointed as the 2021

Chair, and nominates Jiayo Chiang as the new Vice Chair. A vote was taken by roll call: YES = Alameda, Biggs, Gridley, Lodi, Palo Alto, Plumas-Sierra, Port of Oakland, Redding, Roseville, and Santa Clara. The motion passed.

INFORMATIONAL ITEMS

- 7. Review of Power Supply Assumptions** – Staff provided an overview of the Power Supply Assumptions that will be used in the FY 2022 Annual Budget Schedule. The forecast that was developed is based upon an average hydro year scenario on the lighter side, due to storage and weather. The key input variables were reviewed by staff, and such input variables are used in the PLEXOS model run that forms the basis for the forecasted generation output used in the budget. Staff reviewed the specific data that was used for each NCPA Project. Summaries of the model outputs were presented to, and reviewed by the Committee.

The preliminary load-resource balances that will be used in the FY 2022 budget process will be ready for Members review and consideration by January 8, 2021. The final budget inputs are due to the Accounting Division by January 15, 2021, with the final FY 2022 power supply models distributed to Members thereafter. Please contact Jan Bonatto with any questions you may have at jan.bonatto@ncpa.com.

- 8. New Business Opportunities** – Staff provided an update regarding new power supply opportunities.

South Sutter Water District – An offer has been submitted on behalf of SVP for the Camp Far West Hydroelectric Project. Their response is pending.

Eldorado Irrigation District – P184 Powerhouse – Five Members have expressed interest in this project. A follow-up meeting is scheduled for December 3, 2020, with a scheduled meet and greet in the future. This project will be available in mid-2021.

Haypress Powerhouse – This project has been discussed with a few Members. Staff needs more feedback, and is pending until more interest has been expressed by Members.

SFWPA – South Feather Hydroelectric Project – Staff is actively engaged and has supplied SFWPA an updated PPA on November 30, 2020 with updated terms and conditions. Power Management Services are scheduled to begin January 1, 2022. This includes four generation projects of 121 MW total. This project is RPS qualified. The PPA would be 10-20 years. Next steps are to develop a Third Phase Agreement with Members subscriptions.

NCPA Renewables RFP – Two projects are available for consideration including an Avangrid Glover Solar Project and NextEra Solar Project. Staff will reach out to Members that have expressed an interest in these two projects.

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

Geo – There were no safety incidents for the month of November. Staff has now completed 90% of their safety training. The average net generation for November 2020 was 91.2 MW, with the YTD net generation at 669.7 GWhr, 0.9% above forecast. The Geo Enterprise Monitoring System is outdated and in need of upgrades, including the Field Monitoring System (FMS) and Effluent Monitoring System (EMS). The FY 2021 budget funding of \$150,000 will be re-directed from the FMS to the EMS which is a higher priority for operations. The FMS will be upgraded in the next budget cycle. The Plant 2 outage has been completed

for routine maintenance and condenser cleaning. The Maintenance Reserve has a current balance of \$1,261,889. The FY 2021 balance will be approximately \$822,372 after the Plant 1 Fire Protection and HVAC projects. The FY2022 balance should be approximately \$558,555 after the Plant 2 overhaul.

CTs – November operations included 19 actual starts for CT1, of 20 forecasted, plus an additional 2 ghost starts, bringing the FYTD total to 158. CT2 had 5 actual starts of 0 forecasted, bringing the FYTD total to 77. One forced outage occurred during the month for the CT1 gas compressor fuse. There were no planned outages. Staff presented to the CT1 Members opportunities for an alternative maintenance structure. The current situation has no parts management, so parts are refurbished on demand as needed with extended outages. The work is bid out as needed with a limited warranty. The alternative opportunity that staff is proposing would be a Service Agreement for the units to cover majors and hot gas paths. The units would also be covered by some level of warranty for the interval. The annual service cost for inspections and parts management would be \$100,000. It would include a parts availability guarantee (offsetting RA costs). Currently there is a lot of waiting time for parts. This may also offset a potential reduction in the Maintenance Reserve Collection. There is no penalty, or cost, to cancel. The general consensus of the group gave this idea a thumbs up, and asked to bring more information back to the Committee for review and consideration.

Hydro – New Spicer Meadows (NSM) storage as of December 1, 2020 was 76,687 acre-feet. It has slowly been getting lower since September 1, 2020 when it was at 106,475 acre-feet. Generation is at a minimum due to the low water levels. Staff is actively cloud seeding when the opportunity arises. The Collierville Unit 2 annual maintenance has been completed. A stop log was installed, work on the turbine wheel pit area completed, a needle jet was replaced, the runner inspected, pulled the brake cylinders out, and instrumentation checks were also done. The outage was completed a day earlier than planned.

10. Planning and Operations Update –

- NCPA Renewables RFP – Review of additional proposals is underway. Staff is seeking Member feedback regarding interest in projects. This RFP is on NCPA Connect.
- Covid-19 Update – Dual operations continue for NCPA Dispatch and Scheduling functions. Ongoing efforts are in place to protect the health and safety of all staff.
- SCP Integration Activities – The effective date of SCP services to begin is January 1, 2021. Integration into the portfolio is underway, and on schedule.
- RPS Balance Tool under Development – IS has been working on the new RPS Balance tool which is projected to be released in Q1 of 2021, with a complete data set for the tool and training.
- New Resource Integration – Altamont Wind (EBCE), Central 40 (SVP), and Golden Hills (EBCE) are currently being integrated into the NCPA portfolio.

11. Schedule next meeting date – The next Facilities Committee meeting is scheduled for January 6, 2021.

ADJOURNMENT

The meeting was adjourned at 10:35 am.