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Minutes

Date: December 19, 2018
To: NCPA Facilities Committee
From: Carrie Pollo
Subject: December 5, 2018 Facilities Committee Meeting Minutes

- 1. Call meeting to order & Roll Call** - The meeting was called to order by Committee Chair Mike Brozo at 9:02 am. A sign-in sheet was passed around. Attending via teleconference and/or on-line presentation were Mark Sorensen (Biggs), Melissa Price (Lodi), Shiva Swaminathan and James Stack (Palo Alto), and Willie Manual (TID). Those attending in person are listed on the attached Attendee Sign-in Sheet. Committee Representatives from BART, Gridley, Healdsburg, Port of Oakland, Redding, and Ukiah were absent. A quorum of the Committee was established.

PUBLIC FORUM

No public comment.

- 2. Approve minutes from the November 7, 2018 Facilities Committee meetings.**

Motion: A motion was made by Brian Zard and seconded by Tikan Singh recommending approval of the November 7, 2018 Facilities Committee meeting minutes. A vote was taken by roll call: YES = Alameda, Biggs, Lodi, Lompoc, Palo Alto, Plumas-Sierra, Roseville, Santa Clara, and TID. The motion passed.

- 3. NCPA CT Facility – Strategic Direction for CT1** – Staff presented an overview of the strategic direction for CT1. The current strategy for CT1 has been to run the units until 2026, performing only necessary maintenance and minimizing upgrades and improvements as needed. Due to current market conditions the CT1 is running significantly more than expected in the real time market during the evening peak hours when solar power is not available. CT1 is now averaging up to 400 starts per year. During FY 2019 there have already been over 150 starts for the first quarter of the year.

Considerations that will likely influence future investments in the project include changing capacity market conditions, state and local policy (e.g., such as SB100), land use, system operational changes, and facility needs. A key consideration that will impact the potential life of

each unit will be any new development in Alameda or Lodi that is sited around the units. Even with these challenges and considerations, staff is currently recommending an adjustment to the strategic plan for the project, to work to maintain and upgrade the project to extend the end of life past 2026. This will change the forward looking plan for maintaining the projects for continued operation and improved reliability. Please send any feedback to Mike DeBortoli regarding staff's recommendation.

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

Hydro – The Collierville Unit 2 generator rewind is progressing nicely with the stator bars now in place. The cooler and stator have also been joined together. The crane has been used quite often for this project with the latest activity of installing the shear pins. The unit is still on schedule for commissioning testing to begin the week of 12/17. The monthly precipitation total for November 2018 was 7 inches, making it a great month. Recent snow accumulation made the ROV tunnel inspection more difficult than expected, but the inspection was successful. The crew worked back-to-back days last Saturday and Sunday to complete the project. 5.3 of the 8 miles were inspected, as well as the rock trap. The rock trap is approximately 80% full now, but there is still time before it will need to be emptied. The next inspection will be in 10 years.

Geo – There were no safety incidents at the Geo facilities the past month. The annual review of safety procedures was done November 29, 2018, and the annual safety audit will be December 18, 2018. The net generation output of the Geo facilities for 2018 is one percent (1%) over the forecasted amount. The 21kV transformer has been replaced at the Bear Canyon #1 Pump Station. Additional project work includes Bear Canyon road repair, CDF vegetation removal, Plant #1 mercury removal, and Plant #2 outage for EHC unit maintenance and relay testing December 5. Major plant overhauls will begin April 1, 2019, and will last for approximately nine (9) weeks (during which there will be a three (3) week overlap between the plants).

STIG – The STIG Project is due for retirement in 2026, or shortly thereafter. ANZ is doubtful of the availability of parts and service until 2026. Staff is considering upgrading the LM5000 to a LM6000. The unit would lose just a little bit of power, reducing the capacity of the unit from 49.9MW to 48MW. Economics for this project are currently soft, so staff will continue to evaluate the project based on Members' capacity needs and value. Please send feedback to Mike DeBortoli regarding future consideration of this project upgrade. This item will be brought back for future consideration if the economics improve.

CTs – During a Lodi borescope inspection, the engine condition showed no degradation from the prior examination. The plant will continue with operation. No need to have major maintenance at this time, so staff recommend changing the outage dates to be January 7, 2019 through January 25, 2019, instead of the original dates of January 7, 2019 through February 24, 2019. The Alameda Unit 1 CT is still on outage due to problems with the bleed valves, which were sent back to the manufacture for inspection. This problem should be resolved soon; therefore the units should be back up and running shortly.

Solar – Six project sites are now being considered under the NCPA Solar Project 1, of which four sites are currently in Phase 2C (Site Development). One of the other two sites is awaiting a decision, and the other site is in Phase 2B. Members in the project include Alameda, Healdsburg, Lodi, Plumas-Sierra, Redding, and Ukiah. The total project capacity is currently estimated to be 20MW, with the average PPA cost estimated at \$0.06kWh. Milestones of the first quarter in 2019 include completing phase 2C, and issuing an RFP, initiating CEQA, and

presenting a draft of the Third Phase Agreement.

- 5. Review of Power Supply Assumptions** – Staff gave an overview of the power supply assumptions that will be used in the FY 2020 Annual Budget process. The forecast that was developed is based upon an average hydro year scenario. 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 2020 budget process will be ready for Members review and consideration by January 4, 2019. The final budget inputs are due to the Accounting Division by January 14, 2019, with the final FY 2020 power supply models distributed to members thereafter.

- 6. RA Capacity Replacement** – NCPA staff discussed options for authorizing NCPA to purchase replacement Resource Adequacy capacity on behalf of NCPA Project participants in the event of a short term planned or forced outage.

Any scheduled or forced outages that conflict with Resource Adequacy capacity need to have replacement RA capacity secured. Pursuant to the CAISO Tariff, the CAISO may reject outages without substitute Resource Adequacy. This requirement is now being actively enforced by the CAISO. A possible solution to this challenge may be to enable NCPA staff to acquire replacement Resource Adequacy capacity on behalf of the Project Participants under the authority provided in the Scheduling Coordination Program Agreement (SCPA).

Regarding next steps, staff will draft proposed language to include in a new Appendix I to the SCPA, under which NCPA would be authorized to purchase replacement Resource Adequacy capacity based on defined criteria. The cost of such procurement would be allocated to participants based on Resource Adequacy claimed from a facility. A draft of the new Appendix I will be presented to the Committee for review and consideration.

7. Planning and Operations Update –

- NCPA has sent a draft services agreement to SFWPA. SFWPA is currently reviewing the document.
- NCPA owns four (4) segments of gas pipeline that runs from Canada to California. Mercuria currently acts as NCPA's pipeline scheduler and manager. Recently there has been certain information circulating indicating that certain parts of the Mercuria business structure is filing for bankruptcy. Based on this information staff has been looking into what other service providers may be available in the event NCPA is required to change service providers due to the pending bankruptcy. EDFT has indicated that it may be interested in providing this service. EDFT is current acting as gas scheduler and manager for the CT1 units, LEC, and STIG. Pursuant to the AMA in place, any termination of the agreement requires a 6 month prior notice; therefore any further consideration of an alternative services provide will be discussed with the Committee.
- Staff is actively working transition of the CCA customers to their own Scheduling Coordinator IDs. Pioneer Community Energy is scheduled for this January 1, San Jose Clean Energy for February 1, and East Bay Community Energy for March 1. The goal is to complete this transition by the end of Q1 2019.
- Mike Whitney accepted the Power Contracts and Industry Restructuring Manager position in Power Management. The effective start date was December 3. It will take a few months

of transition time for Mike before he will be fully working in Power Management due to the limited staff in the Settlements department.

- The Antelope Expansion 1B Project is currently ahead of schedule by approximately six (6) months.
- Alan Hanger announced that he will be retiring at the end of the year, and thanked NCPA for the great work they have provided over the years to Alameda Municipal Power.

8. Resolution Commending Mike Brozo – Adopt resolution by all Facilities Committee members commending Mike Brozo as the 2018 Facilities Committee Chair.

Motion: A motion was made by Jiayo Chiang, and seconded by Alan Hanger to adopt the Resolution Commending Mike Brozo and thanking him as the 2018 Facilities Committee Chair. A voice vote was taken: All were in favor. The motion passed.

9. Schedule next meeting date – the next regular Facilities Committee meeting is scheduled for January 3, 2019.

ADJOURNMENT

The meeting was adjourned at 12:11 pm by the Committee Chair.

**Northern California Power Agency
December 5, 2018 Facilities Committee Meeting
Attendance List**

NCPA Facilities Committee Members, Alternates & Staff are requested to sign, but signature by members of the public is voluntary.

NAME	AFFILIATION
Carnie Pollo	NCPA
Mike Brozo	PSREC
Jane Luckhardt	NCPA
marty LeBrett	nCPA
Jay Qu'ang	Codi
Jan Bonatto	NCPA
DAVID CLINTON	NCPA
Michael DeBortoli	NCPA
Brian Zard	ROEville
Tony Zimmer	NCPA
Alan Hanger	AMP
Ron Yuen	NCPA
Jake Eymann	NCPA
KEN GOEKE	NCPA
James Dorrance	AMP
Tikhan Singh	Lampoc
Steve Hance	Santa Clara
Paulo Apolinario	Santa Clara
Ken Spear	NCPA

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MEMBER	NAME
ALAMEDA	<i>Alan Hanger</i>
BART	
BIGGS	
GRIDLEY	
HEALDSBURG	
LODI	<i>Jiayo Chiang</i>
LOMPOC	<i>Tikhan Singh</i>
PALO ALTO	
PLUMAS-SIERRA REC	<i>Amie Berg</i>
PORT OF OAKLAND	
REDDING	
ROSEVILLE	<i>Brian Zard</i>
SANTA CLARA	<i>Steve Hance</i>
TID	
UKIAH	