

FACILITIES SCHEDULE 5

COMBUSTION TURBINE PROJECT NO. 1 OPERATING PROCEDURES

Section 1. General Operating Criteria. The following general operating criteria are applicable to the operation of the Combustion Turbine Project No. 1 generation facilities (hereinafter referred to as the “CT1 Project”). The General Manager, or his or her designee, shall act as project manager for the CT1 Project on behalf of the Project Participants.

1.1 Good Utility Practice. The CT1 Project shall be operated in accordance with Good Utility Practice.

1.2 Licenses and Regulatory Criteria. The CT1 Project shall be operated in accordance with all license and regulatory requirements that are applicable to the CT1 Project (e.g., air permit restrictions).

1.3 CT1 Project Statistics. The following are general CT1 Project statistics:

<u>Resource Name</u>	<u>Resource ID</u>	<u>Pmax</u>	<u>Pmin</u>
Alameda GT Unit 1	ALMEGT_1_UNIT 1	<u>23.4 MW</u>	<u>23.0 MW</u>
Alameda GT Unit 2	ALMEGT_1_UNIT 2	25.4 MW	24.4 MW
Lodi Gas Turbine	LODI25_2_UNIT 1	25.3 MW	22.2 MW

Section 2. Scheduling Criteria.

2.1 Schedule Coordination. NCPA shall act as Scheduling Coordinator for the CT1 Project, and perform such duties in accordance with the Amended and Restated Scheduling Coordination Program Agreement.

2.2 Scheduling Criteria and Project Coordination. Each Project Participant, acting as an Operating Entity, shall schedule and bid its Project Participation Percentage share of capacity, energy, and/or other project attributes in any manner, and shall coordinate the scheduling of its Project Participation Percentage share of the CT1 Project with NCPA; provided, however, that such schedules or bids shall be consistent with licensing and regulatory criteria, operational limitations, all established scheduling requirements, including, but not limited to, those requirements set forth in the CAISO Tariff and as determined by NCPA pursuant to the Amended and Restated Scheduling Coordination Program Agreement, and the provisions of the respective Project Agreement. NCPA may act as Operating Entity on behalf of a Project Participant or a group of Project Participants, pursuant to separate agreement.

2.3 Test Energy. All energy generated for testing purposes shall be allocated in proportion to each Project Participant's Project Participation Percentage share of the CT1 Project.

2.4 Allocation of Project Output. All output of the CT1 Project, including capacity, energy and/or other project attributes shall be allocated among the Project

Participants in accordance with the Project Agreement and the Amended and Restated Scheduling Coordination Program Agreement.

2.5 Outage Coordination. Prior to the beginning of each Fiscal Year the project manager shall prepare and submit for approval to the Facilities Committee a planned outage schedule for the CT1 Project. Changes or modifications made to the planned outage schedule during the course of the Fiscal Year shall be subsequently reported in a timely manner to each Project Participant. NCPA shall provide outage coordination services to track and report planned and unplanned outages pursuant to the Amended and Restated Scheduling Coordination Program Agreement.

2.6 Emergency Operation. The City of Alameda or Lodi may request that the CT1 Project unit or units physically located within their respective distribution systems be operated in the case of an unusual event (e.g., approaching distribution system loading limitations, loss of transmission services, etc.). Such request shall be made from the Project Participant to the NCPA dispatch center. Prior to approving a submitted request, NCPA shall review the impact such request may have on prior commitments of NCPA and/or the Project Participants associated with the CT1 Project, including, but not limited to, Project Participant own load requirements, contractual commitments, bids submitted to and awards received from the CAISO, to determine the feasibility of such request. All costs related to emergency operations of the CT1 Project shall be borne by the requesting Project Participant.

Section 3. Natural Gas Fuel Supply.

3.1 General. The CT1 Project consumes natural gas as a fuel in order to generate electric power for the benefit of the Project Participants. Section 3 of this Facilities Schedule 5 describes the terms and conditions under which NCPA will procure natural gas fuel for the CT1 Project.

3.2 Economic Dispatch and Daily Fuel Requirements. The CT Project consists of three (3) peaking generators, two (2) of which are located in the City of Alameda, and one (1) of which is located in the City of Lodi. Unless called upon to insure reliability by the CAISO, each generator is economically dispatched in accordance with this Facilities Schedule 5. In either case the fuel supply requirements of the CT1 Project are met through NCPA's contractual relationship with a supplier for index based gas delivery. The cost of fuel procured for the CT1 Project will be allocated to the Project Participants in accordance with the Project Agreement, this Agreement, and the Amended and Restated Scheduling Coordination Program Agreement.

3.3 Forward Natural Gas Procurement and Financial Hedging. In the normal course of business NCPA does not execute forward natural gas transactions for the potential fuel supply needs of the CT Project, due to the inherent uncertainty in forecasting fuel supply requirements for small peaking generators. No financial hedges for fuel supply costs associated with the CT Project will be implemented pursuant to this Facilities Schedule 5. NCPA may assist any Project Participant that desires to

procure natural gas in advance for anticipated CT1 Project fuel supply requirements, upon written request of a Project Participant, provided that NCPA and the requesting Project Participant have executed a separate agreement for such purposes.

3.4 Fuel Supply Management and Scheduling. Natural gas fuel consumed by the CT1 Project must be scheduled and transported to each generator site. To obtain necessary scheduling and transportation rights and services the Commission may periodically authorize contracts with Third Parties and/or authorize subscriptions for transportation and storage services under pipeline tariffs in accordance with procurement policies and procedures established by the Commission.