

## Appendix D

### Proposed New Member Policy and Guidelines for Obtaining Membership

#### Policy Statement

The Northern California Power Agency (NCPA) will admit to its ranks, organizations whose inclusion within NCPA will further the goals and objectives of NCPA and its members.

#### Policy Guidelines

To facilitate its Policy for Obtaining Membership, NCPA has developed and follows the general guidelines below:

**Identification of Potential New Members.** The General Manager and staff will seek organizations and consider unsolicited requests for membership with organizations that meet the goals of this policy. The General Manager will routinely report to the Commission regarding efforts to solicit new members and consideration of unsolicited requests for membership that have been received.

**Request for Application.** Once identified, a potential new member (Applicant) must submit a request for a membership application to NCPA's General Manager. This request must state:

- The Applicant's last three-year's gross annual electric energy load and demand as filed with the Federal Energy Regulatory Commission or other such acceptable information.
- Audited financial reports for the previous three-years
- Description of customer base using the NCPA Report Card Form
- Details of governance structure and internal staffing organization chart
- Description of other wholesale and retail services provided
- A description of the NCPA programs and/or services in which the Applicant desires to participate
  - Legislative and Regulatory Program
    - Public Benefits
  - Generation Services Program
    - Renewable Energy Project Development
  - Power Management Program
    - Pooling
    - Gas or Electric Procurement
    - Schedule Coordination
    - NCPA Power Purchase Project Participation

- A description of any deficiencies associated with full compliance with state or federal mandated programs and the organizations plan and timeline for bringing itself into full compliance
- Disclosure regarding any legal or environmental liabilities

**Screening.** The minimum screening phase ensures that the Applicant:

- Meets the requirements for NCPA membership established in the NCPA joint powers agreement
- If granted membership, will benefit the Agency and its members

**Minimum Screening Criteria.**

- Has goals that are consistent with those of NCPA and its members
  - *Support for local control and decision making*
  - *Support for operating and expanding wholesale and retail electrical services within boundaries determined by a locally elected or nominated governing authority*
  - *A desire to minimize wholesale electric costs in order to provide economic benefits to their retail customers*
  - *A desire to work cooperatively with other agency members to minimize costs and realize competitive advantages through economies of scale and gains through joint transaction(s) and financing(s)*
- Is a preference purchaser or potential preference purchaser of electric service from the Western Area Power Administration of the United States, which is a “public agency,” as such term is defined in Section 6500 of the Government Code of the State of California. Applicant
- Has financial strength, manages legal matters, and complies with legislative and regulatory matters.
  - Where NCPA identifies potential legislative and/or regulatory non-compliance issues not disclosed in the request for application process, NCPA will contact the Applicant to obtain plans and timelines for achieving compliance
- Is willing and able to contribute to the costs associated with its requested level of involvement in NCPA.
- Participates in the political proceedings or can bring political advantages to issues that impact NCPA and its members
- Has access to long-term resource supply that would benefit NCPA’s members
- May enter into a long-term transaction with NCPA’s members that would not occur without membership
- Will benefit the members by participating in NCPA programs
- Willing to pay program costs and support administrative and general expenses costs for members

- Will not negatively affect the role of existing NCPA members without offsetting benefits

Upon completion of the screening process, NCPA and the Applicant will review the results for accuracy and completeness. A summary of the screening results will be provided to the Applicant for information purposes and to the NCPA Commission for consideration and possible adoption of the Applicant for Membership.

**Program Participation Analysis.** If the Commission unanimously concludes that an Applicant meets all screening criteria, NCPA will commence an analysis to determine that participation in the programs requested by the Applicant produces no conflicts or additional un-reimbursed costs to NCPA members. An Applicant can expect that NCPA will conduct legal, financial and technical reviews of the Applicant's ability to fund its participation and otherwise meet its obligations in the programs requested. Conditional Applicant specific requirements for membership (studies, facilities, commitments) will be identified as part of this phase.

Upon completion of program participation analysis and any additional studies required as part of the analysis, NCPA and the Applicant will jointly review the results for accuracy and completeness. A summary of the analysis will be provided to the Applicant for information purposes and to the Commission for approval.

**Notification of Membership Fees and Rights.** If the Commission unanimously concludes that the program participation analysis supports acceptance of the Applicant's request for membership, the General Manager will provide to the Applicant an estimate of the Applicant's contribution to each program in its first year of membership. In addition, the General Manager will advise the Applicant on which standing committees and task forces appointed by the Commission the Applicant is eligible to sit. At a minimum, the Applicant will be required to appoint a representative and an alternate to actively participate on the NCPA Commission and vote on matters related to the programs in which the Applicant participates.

**Approval of Membership.** Formal approval requires:

- Amendment of the JPA by each members' governing body to include the Applicant
- Execution of the JPA by the Applicants governing body

**Withdrawal of Application.** An Applicant may withdraw its application at any time by providing written notification to NCPA's General Manager. No refunds of the application fee will be made

**Schedule.** It is expected that processing an application including approval by the Commission and Members' governing bodies will require six to twelve months. During the processing period, an Applicant will be allowed to participate in the L&R and Commission activities of the Agency without a voting ability. The Applicant shall pay in advance for any participation in special events or activities that require a separate member fee.

**Amendment of Policy and Guidelines.** The Commission, in a public and posted Commission Meeting may amend this policy and associated guidelines without prior notification to existing or potential Applicants.

DRAFT

MEMBERSHIP APPLICATION REQUEST  
WITH THE  
NORTHERN CALIFORNIA POWER AGENCY

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THIS APPLICATION REQUEST (APPLICATION), with a date of \_\_\_\_\_, to the Northern California Power Agency (NCPA), a joint powers agency under the laws of the State of California, with its principal office at 651 Commerce Drive, Roseville California 95678 by \_\_\_\_\_, a \_\_\_\_\_ with its principal office at \_\_\_\_\_ is made with respect to the following:

RECITALS

- A. The NCPA Joint Powers Agreement provides that any preference purchaser or potential preference purchaser of electric service from the Western Area Power Administration of the United States (herein referred to as Applicant) that desires to participate in NCPA may do so upon NCPA approval and by signature of the agreement and payment to NCPA of certain costs and charges as determined by the Commission to be appropriate.
- B. The Applicant desires to participate as a member in NCPA.
- C. NCPA and the Applicant intend in this APPLICATION to record that the Applicant has requested consideration for possible membership in NCPA and that the parties intend to agree upon a schedule and fees necessary to examine the Applicant for membership and to calculate its pro-rata share of the costs and charges to be allocated by the Commission.

APPLICATION

1. *Application Fee.* Upon submission of this APPLICATION and payment of the \$10,000 application fee, NCPA will provide a receipt of the Applicant's payment of an application fee. The Applicant acknowledges that no refunds of this application fee will be made.
2. *Tasks and Studies.* If the Applicant requests, NCPA shall consider to perform or cause the performance of the tasks and studies described in Attachment A to this Agreement.

3. *Payments.* The Applicant shall pay NCPA in advance for the tasks and services requested of NCPA pursuant to Section 2. NCPA agrees to provide an invoice with estimates for such tasks and services. A true-up of costs at the end shall be completed between the Applicant and NCPA.

4. *Cooperation.* The parties agree to cooperate with each other in exchange of information. The Applicant agrees to allow NCPA employees and its consultants and contractors reasonable access to the information in its possession which NCPA determines may be relevant to the successful completion of the tasks and services described in section 2 above.

5. *Joint Review.* Upon the completion of tasks and studies described in Section 2 above, the Applicant and NCPA shall jointly review the results of each for completeness and acceptability. If the Applicant requests further service to complete any service or task, the parties shall agree upon the additional fees, costs or charges that the Applicant shall pay to NCPA and amend this Agreement to reflect these changes. If the Applicant does not request further service after NCPA gives 30 days-notice of completion, the parties hereby agree that the service or task shall be deemed complete and acceptable to the Applicant.

6. *Nonresponsibility.* The Applicant acknowledges that the services and tasks to be provided pursuant to this APPLICATION involve forecasts, discretion, judgment, and opinion and that NCPA shall not be responsible to the Applicant for the accuracy of the completed tasks and services. The Applicant hereby agrees to save, defend, indemnify and hold NCPA, its officers, employees, agents and consultants harmless from any loss or damage suffered by the Applicant arising out of this APPLICATION. The Applicant's use of or reliance on any of the services or tasks provided pursuant to this Agreement shall be at the Applicant's sole risk.

7. *No Obligation.* By submitting this APPLICATION, the Applicant gains no right to join NCPA and NCPA and its members undertake no obligation to permit the Applicant to join NCPA.

8. *Early Termination.* Either party may terminate the review of this APPLICATION upon written notification.

9. *Data Submittal.* The Applicant shall submit the following information with this APPLICATION:

- The Applicant's last three-year's gross annual electric energy load and demand as filed with the Federal Energy Regulatory Commission or other such acceptable information.
- Audited financial reports for the previous three-years
- Description of customer base using the NCPA Report Card Form
- Details of governance structure and internal staffing organization chart

- Description of other wholesale and retail services provided
- A description of the NCPA programs in which the Applicant desires to participate
  - Legislative and Regulatory Program
    - Public Benefits
  - Generation Services Program
    - Renewable Development
  - Power Management Program
    - Pooling
    - Gas or Electric procurement
    - Schedule Coordination
    - NCPA Project participation
- A description of any deficiencies associated with full compliance with state or federal mandated programs and the organizations plan and timeline for bringing itself into full compliance

APPLICANT

NCPA

Submitted By: \_\_\_\_\_ Received By: \_\_\_\_\_

Its: \_\_\_\_\_ Its: \_\_\_\_\_