



# Commission Staff Report – *DRAFT*

December 5, 2017

**COMMISSION MEETING DATE:** December 14, 2017

**SUBJECT:** Delegate Authority to the General Manager to Enter into General Services Agreements and Issue Purchase Orders necessary for exhaust seal maintenance on Alameda CT Unit 1 for a Total Cost Not To Exceed \$600,000, and Increase the CT1 FY18 Budget In An Amount Not To Exceed \$350,000 Should That Be Necessary to Complete The Work

**AGENDA CATEGORY:** Discussion/Action

<b>FROM:</b>	Ken Speer	<b>METHOD OF SELECTION:</b>
	Assistant General Manager	<i>Competitive Pricing Process</i>
Division:	Generation Services	
Department:	Combustion Turbines	

<b>IMPACTED MEMBERS:</b>		
All Members	<input type="checkbox"/>	City of Lodi <input checked="" type="checkbox"/>
Alameda Municipal Power	<input checked="" type="checkbox"/>	City of Shasta Lake <input type="checkbox"/>
Bay Area Rapid Transit	<input type="checkbox"/>	City of Ukiah <input checked="" type="checkbox"/>
City of Biggs	<input checked="" type="checkbox"/>	City of Lompoc <input checked="" type="checkbox"/>
City of Gridley	<input checked="" type="checkbox"/>	City of Palo Alto <input type="checkbox"/>
City of Healdsburg	<input checked="" type="checkbox"/>	City of Redding <input type="checkbox"/>
		City of Roseville <input checked="" type="checkbox"/>
		City of Santa Clara <input checked="" type="checkbox"/>
		Plumas-Sierra REC <input checked="" type="checkbox"/>
		Port of Oakland <input type="checkbox"/>
		Truckee Donner PUD <input type="checkbox"/>
		Other <input type="checkbox"/>
<i>If other, please specify</i>		
_____		
_____		

**RECOMMENDATION:**

Approve Resolution 17-XX authorizing the General Manager to enter into General Services Agreements and issue Purchase Orders necessary for exhaust seal maintenance on Alameda CT Unit 1 for a total cost not to exceed \$600,000, and increase the CT1 FY18 budget in an amount not to exceed \$350,000 should that be necessary to complete the work.

It is recommended to place this item on the Commission agenda as a Discussion/Action Item.

**BACKGROUND:**

During routine rounds, metal pieces were found on the ground around the Alameda CT Unit 1 stack. The unit experienced a seal failure on the exhaust tunnel of the turbine and, as a result, was taken out of service to prevent further damage. An exhaust borescope inspection revealed exhaust flex seals are missing from the 7-12 o'clock position. According to the vendor performing the inspection, this can happen due to material fatigue, fretting and/or cyclic stress. During the Unit 1 major maintenance conducted in the spring of 2015, the exhaust flex seal inspection revealed no concerns.

**FISCAL IMPACT:**

Staff is working on a plan that would provide access to the missing seals for replacement which is estimated at not to exceed \$250,000. However, should that plan not work, disassembly of the unit would be required and additional funds will be needed to complete the work. The total cost of the project will not exceed \$600,000.

This project was not included in the current fiscal year budget. However, funds from the Maintenance Reserve account are available for this project for up to \$250,000 (account #265-010-000-610-070-000). Should additional work be required over and above the cost of \$250,000, a budget supplement in an amount not to exceed \$350,000 will be needed. The cost allocation for the project and any needed budget augmentation will be based on project participation percentages.

**SELECTION PROCESS:**

All of the work associated with this maintenance has been put out for bid to qualified contractors and will be awarded in accordance with NCPA procurement policies and procedures.

**ENVIRONMENTAL ANALYSIS:**

These activities are categorically exempt under Class 1 from the provisions of the California Environmental Quality Act pursuant to Section 15301 of the CEQA Guidelines for routine operation, repair, maintenance, or minor alteration of existing structures or facilities not expanding existing uses at NCPA power plants. A Notice of Exemption was approved by the NCPA Commission on September 27, 2013, by Resolution 13-97 (SR 215:13 for reference) for this class of work and was filed in Alameda County.

**COMMITTEE REVIEW:**

Pending Committee Review.

Respectfully submitted,

RANDY S. HOWARD  
General Manager

Attachments:

- Resolution

**RESOLUTION 17-XX**

**RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY  
DELEGATING TO THE GENERAL MANAGER AUTHORITY TO ENTER INTO GENERAL  
SERVICES AGREEMENT AND TO ISSUE PURCHASE ORDERS NOT-TO-EXCEED  
\$600,000 FOR UNIT 1 REPAIR AT CT1 ALAMEDA FACILITY**

**(reference Staff Report #xxx:17)**

WHEREAS, the Northern California Power Agency (NCPA) operates and maintains CT1 Alameda facility on behalf of the project participants in the Combustion Turbine projects; and

WHEREAS, during routine rounds, metal pieces were found on the ground around CT1 Alameda Unit 1 stack and Unit 1 was placed out of service to prevent further damage; and

WHEREAS, an exhaust borescope inspection revealed exhaust flex seals missing from the 7-12 o'clock position which the vendor has stated can happen due to material fatigue, fretting and/or cyclic stress; and

WHEREAS, this activity would not result in a direct or reasonably foreseeable indirect change in the physical environment and is therefore not a "project" for purposes of Section 21065 the California Environmental Quality Act. No environmental review is necessary; and

NOW, THEREFORE BE IT RESOLVED, that the Commission of the Northern California Power Agency authorizes the General Manager to enter into General Services Agreements for exhaust seal service on Alameda Unit 1 for a total not to exceed amount of \$600,000, and increase the CT1 FY18 budget in an amount not to exceed \$350,000 should that be necessary to complete the work. All purchase orders issued pursuant to the agreement will be charged against approved Annual Operating Budgets.

PASSED, ADOPTED and APPROVED this \_\_\_\_ day of \_\_\_\_\_, 2017 by the following vote on roll call:

	<u>Vote</u>	<u>Abstained</u>	<u>Absent</u>
Alameda	_____	_____	_____
BART	_____	_____	_____
Biggs	_____	_____	_____
Gridley	_____	_____	_____
Healdsburg	_____	_____	_____
Lodi	_____	_____	_____
Lompoc	_____	_____	_____
Palo Alto	_____	_____	_____
Port of Oakland	_____	_____	_____
Redding	_____	_____	_____
Roseville	_____	_____	_____
Santa Clara	_____	_____	_____
Shasta Lake	_____	_____	_____
Truckee Donner	_____	_____	_____
Ukiah	_____	_____	_____
Plumas-Sierra	_____	_____	_____

\_\_\_\_\_  
BOB LINGL  
CHAIR

ATTEST:

\_\_\_\_\_  
CARY A. PADGETT  
ASSISTANT SECRETARY