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Minutes

To: NCPA Facilities Committee

From: Carrie Pollo

Subject: October 2, 2024 Facilities Committee Meeting Minutes

- 1. Call meeting to order & Roll Call** – The meeting was called to order by Committee Chair Shiva Swaminathan (Palo Alto) at 9:06 am. Attending via teleconference and on-line presentation were Midson Hay and Ben Rings (Alameda), Ross Pippitt (Gridley), Brad Wilkie (Lompoc), Jim Stack (Palo Alto), and Colin Selby (TID). Those attending in person are listed on the attached Attendee Sign-in Sheet. Committee Representatives from BART, Biggs, Healdsburg, Plumas-Sierra, Port of Oakland, Redding, Santa Clara, Shasta Lake, and Ukiah were absent. A quorum of the Committee was not established at the time of roll.

Due to scheduling conflicts, item 4 and item 17 were presented first. During the presentation of item 17 other Committee Representatives joined the meeting. At 10:02 am another roll call was taken. Terry Crowley (Healdsburg) and Basil Wong (Santa Clara) had joined the call, thus establishing a quorum.

PUBLIC FORUM

No public comment.

OPEN SESSION

DISCUSSION / ACTION ITEMS

- 2. Approval of Minutes from the September 4, 2024, Facilities Committee meeting and the September 17, 2024, Special Facilities Committee meeting.**

Motion: A motion was made by Brad Wilkie and seconded by Basil Wong recommending approval of the minutes from the September 4, 2024, Facilities Committee meeting and the September 17, 2024, Special Facilities Committee meeting. A vote was taken by roll call: YES = Alameda, Gridley, Healdsburg, Lodi, Lompoc, Palo Alto, Roseville, Santa Clara, and TID. The motion passed.

- 3. All NCPA Facilities – Hill Brothers Chemical Company MTEMS** – Staff presented background information and was seeking a recommendation for Commission approval of a five-year Multi-Task Agreement for Purchase of Equipment, Materials and Supplies with Hill Brothers Chemical

Company for chemical purchases, with a not to exceed amount of \$2,500,000, for use at all facilities owned and/or operated by NCPA.

This is a current NCPA vendor whose agreement is expiring. NCPA has utilized this vendor in the past and has a good working relationship with this 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 purchases. This enabling agreement does not commit NCPA to any expenditure of funds. At the time services are needed, NCPA will bid the specific scope of work consistent with NCPA procurement policies and procedures. NCPA has agreements in place for similar purchases with Brenntag Pacific, Inc., Industrial Solution Services, Northstar Chemical, Thatcher Company of California and Univar Solutions. A draft Commission Staff Report and agreement were available for review. It is recommended to place this item on the Commission Consent Calendar.

Motion: A motion was made by Midson Hay and seconded by Shiva Swaminathan recommending Commission approval authorizing the General Manager or his designee to enter into a Multi-Task Agreement for Purchase of Equipment, Materials and Supplies with Hill Brothers Chemical Company for chemical purchases, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$2,500,000 over five years, for use at any facilities owned and/or operated by NCPA. A vote was taken by roll call: YES = Alameda, Gridley, Healdsburg, Lodi, Lompoc, Palo Alto, Roseville, Santa Clara, and TID. The motion passed.

4. **All NCPA Facilities – CEQA Notice of Exemption Filings** – Staff presented background information and was seeking a recommendation for Commission approval authorizing the General Manager or his designee to file with the appropriate County Clerks the California Environmental Quality Act (CEQA) Notice(s) of Exemption (NOEs) for routine operation and maintenance activities at the NCPA Plant Facilities.

Certain types of projects are exempt from CEQA. Two types of exemptions are established under CEQA: statutory and categorical. Statutory exemptions have been created under state law and, to the extent that a project fits within one of those exemptions, the lead agency is not required to examine or mitigate the project's potential impacts. Categorical exemptions are established by the Resources Agency as part of the CEQA Guidelines. They are limited to classes of activities that usually do not result in significant impacts on the environment and cannot be used if there is a reasonable possibility that the project may have a significant impact.

Currently there are 33 classes of categorical exemptions under the CEQA Guidelines. Examples of activities range from 'operation, repair, maintenance, permitting, leasing, licensing, or minor alternation of existing public or private structures, facilities, mechanical equipment' not expanding existing uses (Class I) to 'installation of certain cogeneration equipment with a capacity of 50 megawatts or less at existing facilities' (Class 29).

A majority of routine activities at NCPA's power plants fall within the definition of classes 1, 2, 3, 4, 9, 11, and 12 'Categorical Exemptions' listed in the State CEQA Guidelines (Sections 15301–15333). Staff proposes to meet the CEQA Guidelines for these types of activities by filing the NOEs with the respective County Clerks where the plants are located. Once filed, staff would continue to conduct the identified and similar activities. These exemptions do not apply to activities that constitute a significant expansion or where there is a reasonable possibility that the project may have a significant impact on the environment per the requirements of State CEQA Guidelines Section 15300.2. For activities not qualifying for exemptions, staff will strictly follow the appropriate CEQA procedures.

Due to the lack of a quorum, no formal action was taken. However, the Members present at the

meeting voiced their support of the recommendation for Commission approval authorizing the General Manager or his designee to file with the appropriate County Clerks the California Environmental Quality Act (CEQA) Notices(s) of Exemption (NOEs) for routine operation and maintenance activities at the NCPA Plant Facilities. This item will move forward to the next Commission Meeting scheduled for October 24, 2024 on the Commission Consent Calendar.

- 5. All NCPA Facilities – Property Insurance Program Renewal for CY2025** – Staff presented background information and was seeking a recommendation for Commission approval to renew the Agency's property insurance program for CY2025.

One of the goals identified in the 2021-2026 Strategic Plan was to develop a long-term, cost-effective insurance coverage strategy while building solid relationships between the Agency and its insurers. For the last three years, the Agency has created a valued partnership with FM (formerly FM Global), which has helped build resiliency across NCPA assets by providing loss control engineering in addition to policy coverages. However, staff instructed the Agency's broker, Alliant, to present the property program to the insurance markets to ensure the Agency was still achieving a cost-effective program. At the same time, staff worked closely with FM to obtain a renewal quote for CY2025. Fielding multiple renewal proposals aims to maximize the value of the Property Insurance program while minimizing the fiscal impacts on the Agency.

Over the last two calendar years, the Agency has experienced several unforeseen losses, detailed in the table below. During this period, the Agency made claims for property and business interruption losses above \$12,300,000, recovered over \$8,300,000, and paid \$4,000,000 in deductibles. The total amount collected by the Agency from claims represents 71% of gross premiums collected by FM since CY2022 or 106% since CY2023. Loss history is a significant contributor to how an insurer rates the risk of an insurance program and, subsequently, is one of the main drivers of premiums. Claims stay under the loss history for 5 years.

Alliant Proposal

Alliant solicited the property insurance markets to obtain a not-to-exceed quote for the Agency's property assets. AEGIS, the prior property insurance provider, indicated a premium between \$6,500,000 and \$7,500,000, where AEGIS would take 40% of the program and layer additional insurers to reach 100% coverage. In addition, AEGIS would impose a \$10,000,000 deductible for any wildfire loss while leaving the existing deductibles unchanged.

FM Proposal

FM is the current incumbent providing property insurance for the Agency's property assets. Due to the Agency's loss history, FM is seeking a rate increase of 24.6% over the expiring premium. FM presented staff with two proposals for the renewal of the CY2025 Property Insurance. Option one is to make no changes to the program and keep the deductibles at the current levels (\$1m/\$2m LEC turbine). Option two is to raise all current deductibles to \$3,000,000, resulting in a \$400,000 premium credit. During discussions with FM, they indicated that the \$1m/\$2m deductibles would not be an option for the CY2026 renewal and that \$3,000,000 is appropriate for a power generation client.

The property insurance premium is allocated based on the total insured value, calculated as Property Value + BI. Based on the recommendation of selection Option 2, the expected CY2025 Property Insurance Renewal Premium is at a not-to-exceed of \$5,100,000. NCPA's commitment is an NTE of \$3,300,000, while LEC's is an NTE of \$1,800,000 for the CY2025 renewal. It is recommended to place this item on the Commission Consent Calendar.

Motion: A motion was made by Basil Wong and seconded by Shiva Swaminathan recommending Commission approval authorizing the General Manager to negotiate and bind Property insurance coverage with FM for CY2025 at a not-to-exceed premium of \$5,100,000. A vote was taken by roll call: YES = Alameda, Gridley, Healdsburg, Lodi, Lompoc, Palo Alto, Roseville, Santa Clara, and TID. The motion passed.

- 6. NCPA CT Facilities – 2025 Combustion Turbine Facilities Switchyard Relays Upgrade Project** – Staff presented background information and was seeking a recommendation for Commission approval authorizing the 2025 Combustion Turbine Facilities Switchyard Relays Upgrade Project and delegating authority to the General Manager or his designee to award bids, execute agreements, and to issue purchase orders for the project in accordance with NCPA purchasing policies and procedures, without further approval by the Commission, for a total cost not to exceed \$544,391.95, and authorizing encumbrance and reallocation of the FY24 CT1 Controls and Excitation funding in the amount of \$350,891.95 to help the Project (pending NCPA encumbrance processing), and authorizing the use of up to \$193,500 from the FY25 CT1 Outage budget for remaining Project funding.

NCPA's Combustion Turbine Facilities electrical protection systems, which were originally installed in 1985, are aged and obsolete. The current systems are no longer supported by the OEM, and it is becoming increasingly difficult to source parts and service for these systems. Per NERC standards, calibration and testing must be performed every six (6) years. NCPA completed a similar project at CT1 Lodi in January 2024.

Successful completion of this project will future-proof the CT1 Facilities. The subsequent updated electrical protection methods, studies, and hardware will allow for safer and more reliable operations of the CT units. Additionally, the installation of new, modern components will allow for expanded parts availability and increased product support. Related plant documentation will be updated, ensuring NCPA continues to meet regulatory compliance standards and have better troubleshooting for plant electrical trips. With the current equipment, NERC-required maintenance and inspections must be completed every six (6) years. Installation of the new equipment will decrease required frequency intervals to every twelve (12) years.

Motion: A motion was made by Jiayo Chiang and seconded by Midson Hay recommending Commission approval authorizing the 2025 Combustion Turbine Facilities Switchyard Relays Upgrade Project and delegating authority to the General Manager or his designee to award bids, execute agreements, and to issue purchase orders for the project in accordance with NCPA purchasing policies and procedures, without further approval by the Commission, for a total cost not exceed \$544,391.95, and authorizing encumbrance and reallocation of the FY24 CT1 Controls and Excitation project funding in the amount of \$350,891.95 to the 2025 Combustion Turbine Facilities Switchyard Relays Upgrade Project (pending NCPA encumbrance processing), and use of up to \$193,500 from the FY25 CT1 Outage budget for project funding. A vote was taken by roll call: YES = Alameda, Gridley, Healdsburg, Lodi, Lompoc, Palo Alto, Roseville, Santa Clara, and TID. The motion passed.

- 7. NCPA Geo Facility – U.S. Bureau of Land Management Lease Renewals** – Staff presented background information and was seeking a recommendation for Commission approval authorizing the General Manager or his designee to execute the Geothermal Site Lease renewal and any associated forms, with any non-substantial changes as approved by the NCPA General Counsel, to allow NCPA to continue to operate its Geothermal facilities.

The Northern California Power Agency (NCPA) operates and maintains on behalf of the project owners a Geothermal Facility near Middletown, CA, consisting of two geothermal power plants,

NCPA 1 and NCPA 2, with 78 steam and water injection wells located on land owned by the BLM. NCPA's ability to operate and maintain the geothermal power plants and wells on this land was established through two Steam Field Lease Agreements, CACA 949 and CACA 950 (the lease agreements), both of which became effective on August 1, 1974, and carried a term of 40-years.

The original lease agreements gave NCPA preferential rights to renew as long as NCPA notified the BLM prior to the expiration of the lease agreements. NCPA sent a letter to the BLM dated November 7, 2023 stating its desire to renew the steam field lease agreements for an additional 40-year term. As a condition of renewal, the BLM requested that NCPA conduct biological, botanical, and cultural surveys to document natural and cultural resources. NCPA solicited quotes from several environmental engineering firms and this work was awarded to HDR Engineering. HDR Engineering provided a draft cultural survey report on July 29, 2024. The remaining draft reports for the biological and botanical surveys are due for completion by November 7, 2024.

Although the final biological, botanical, and cultural reports are not completed, the BLM has granted renewal of the lease agreements while allowing completion of the surveys post renewal. A copy of the BLM Decision – Lease Renewal Granted dated August 1, 2024, is attached and requires execution on behalf of NCPA.

The terms and conditions of the lease agreements remain substantially the same as the original lease agreements with two notable differences:

- The original royalty rate was 12.5%; the rate was reduced in 1994 to 11.25% with the introduction of wastewater from the Southeast Geysers Effluent Pipeline (SEGEP). The lower rate remains in effect as long as NCPA continues to receive delivery of SEGEP wastewater. A copy of the BLM's Decision – Royalty Reduction Granted, dated May 19, 1994, is attached for reference.
- Renewal of the lease agreements is extended for an additional 40-years from August 1, 2024, the date of the BLM Decision – Lease Renewal Granted, and so long thereafter as geothermal steam is produced or utilized in commercial quantities. The August 1, 2024 Decision incorporates Lease Terms and Special Stipulations and Conditions NCPA – Geysers KGRA.

Staff also attached to this staff report a copy of the BLM Guidelines for Vegetation Management and a copy of the BLM approved Geothermal Sundry Notice re firebreaks dated July 31, 2019, to provide clarification for the Special Stipulations and Conditions.

Motion: A motion was made by Brian Schinstock and seconded by Jiayo Chang recommending Commission approval authorizing the General Manager or his designee to execute the Bureau of Land Management (BLM) Decision – Lease Renewal Grant dated August 1, 2024, which extends the Geothermal Steam Field Lease Agreements CACA 949 and CACA 950 for an additional 40-years and other modified terms, with any non-substantial changes recommended and approved by the NCPA General Counsel. A vote was taken by roll call: YES = Alameda, Gridley, Healdsburg, Lodi, Lompoc, Palo Alto, Roseville, Santa Clara, and TID. The motion passed.

INFORMATIONAL ITEMS

- 8. New Business Opportunities** – Staff reviewed key projects from the proposals received for the Renewable Energy Resources and Energy Storage Resources. The projects are listed below.

- Vine Hill – 50% Share
 - 4.4 MW Solar
 - Status: LOI executed; currently drafting PPA
- Terra-Gen Discovery
 - 50 MW Index + PPC1
 - Status: Meeting with Terra-Gen today
 -
- Las Camas
 - 200 MW Solar + 100 MW BESS
 - Status: Draft LOI provided to Seller for consideration
- Maestro
 - 200 MW Solar + 100 MW BESS
 - Status: Draft LOI provided to Seller for consideration
- Trolly
 - Up to 400 MW BESS
 - Status: LOI executed; currently drafting PPA
- Wildcat
 - 100 MW PV (with up to 100 MW BESS Option)
 - Status: Seller to provide additional information

9. NCPA Disaster Recovery Center Update – On Sept. 27, 2024 the NCPA Commission approved the resolution requesting authorization for the General Manager to the Execute Public Works construction agreement, issue purchase orders, sign contracts and take all necessary actions needed to carry out the construction, office furniture procurement and Dispatch Console procurement and agreements related to this project. The RFP AS-2405 for Dispatch Console Furniture was released on September 23, 2024 with the bid opening date October 24, 2024 at 2:00 pm.

The building and fire permits were submitted to Sacramento County and Sac. Metro Fire on July 15, 2024. Plan review notification from Sacramento County was received on August 20, 2024 by Lionakis. Lionakis is engaged with the planning department in addressing the comments. Lionakis will resubmit to Sacramento County no later than September 26, 2024.

Project Schedule

- Notice of Intent to Award on September 30
- Notice to Proceed around October 4
 - DPR will have 10 days to begin
- Receive permit around October 8
- Construction timeline October 14, 2024 – March 31, 2025
 - Contract time is ~169 consecutive calendar days from the start date
 - Change orders could push the expected completion date
 - Generator completion may be slightly delayed due to supply chain issues
 - Begin decommissioning efforts in February/March 2025
 - Minimize DRC disruption of services during the transfer and validation, estimated to be 5 business days

10. FY2024 Annual Billing Settlements Review – Staff presented a draft of the FY2024 Annual Billing Settlement and encumbrances for the period of July 1, 2023, through June 30, 2024.

After internal accounting review, the final draft of the FY 2024 Annual Billing Settlements was reviewed by the Facilities Committee. The draft results include an approximate \$1.5 million refund from plant operations, and approximately \$1.5 million refund coming from management

services. Pass-through costs, and third-party revenues still need to be determined. Encumbered funds for FY 2024 total \$5.3 million.

These draft results will be presented to the LEC PPC on October 7, 2024. The next step is to present to the Utility Directors at the October 10, 2024 UD meeting. The final version of the FY 2024 Annual Billing Settlements will be presented to the Facilities Committee at the November 4, 2024 Facilities Committee meeting. Staff will be seeking a recommendation for Commission approval at that time. After that it will be presented to the LEC PPC for approval, and again to the UDs in November. Staff will be seeking Commission approval at the December 5, 2024 Commission meeting.

11. Overview of FY2026 Budget Process and Approach – Staff presented an overview of the FY2026 Budget process and recommended operating budget directions.

The proposed budget approach will continue with review of the draft budgets through the Facilities, LEC PPC, and L&R Committees, and UD meetings, seeking a recommendation for Commission approval. February review will be a combined meeting with the Facilities and Finance Committees. The budget is prepared on a project/program basis. Allocation for all allocated costs are Power Management, Legislative and Regulatory, Judicial Action, Administrative and General, and direct allocations. Previously approved methods will continue to be used at this time with focus on NCPA controllable costs and aligning budgets with expectations and previous actuals. Reserves and Program Security Deposits will be based on agreements and/or Commission direction. Staff will continue to focus on NCPA controllable costs and aligning budgets with expectations and previous actuals.

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

Hydro – During the month of September, Collierville (CV) Power House was at 97% availability due to outages from September 7 – 8 for GSU bushing testing and September 25 for collector ring brush work. New Spicer Meadows (NMS) Powerhouse was at 86% availability due to annual maintenance outages during the first three weeks of the month and a PG&E TIGO on September 25. The monthly generation profiles for CV and NMS were shared with the Committee. The New Spicer September annual maintenance outages have been completed for units one, two, and three. A draft agreement has been provided to a private land owner for the McKay's sediment transfer. The Collierville annual maintenance outage included contractors on site for tailrace, GSU, 480V breaker replacement, and divers for McKays Reservoir.

New Spicer Meadows Reservoir Storage

- 12,724, acre feet decrease (8%) month-over-month
- 152,813-acre feet to 140,089-acre feet
- 74% capacity

Current Events

- CCWD cancelled planned September 16th meeting
 - Rescheduled to October 14th
- DOE 247 Grants: submitting SOPOs to DOE today
- McKays Part 12 inspection conducted yesterday
- Spicer Part 12 underway today
 - PFMA L2RA workshop January 13-31

Geo – The average net generation for the month of September was 75.9 MW. The total net generation was 54.7 GWh. FY 2024 net generation goal = 640.8 GWh. FY forecast net generation = 408.2 GWh YTD. The FY actual net generation = 410.6 GWh at 0.6% above the forecast. Plant 1 Unit 2 included vibration testing which was going well, but then tripped. Seal failure has been identified as the root cause involving the following failure mechanisms: The installation process including technique and peening, seal groove variation, the proof testing process, seal and caulking size, and seal and caulking materials. Recommendations are listed below:

- Final seal installation be performed by an experienced individual who has installed L-seals before with oversight by experienced station or third-party personnel. *In Progress*
- The install process should include frequent pull tests of caulking and seals around the full circumference of the rotor for every seal installed. *In Progress*
- All clearances should be checked and compared to previous values and increased to the high side of the allowable values as much as possible. *Scheduled*
- Clearance checks and alignment should be performed by an experienced group with oversight by experienced station or third-party personnel. *Scheduled*
- Plant startup monitoring should be performed using the advanced vibration monitoring system and compared to the data to that of the previous unsuccessful startup. *Scheduled*
- **Key Projects Updates**
 - Plant 2 – Fire System Alarm Annunciators – **Project Kickoff Meeting completed in September – Start state is October 14, 2024**
 - Plant 2 – MCC 480V Project – Install in 2025 – **Construction Bid Package by November 1, 2024**
 - Plant 2 – Cooling Tower Fans & Stairs – FY 2024/2025 – **Scheduled to start in November**
 - SEGEF Air Compressors – **Air Comp and Miscellaneous Parts were ordered in June – Ongoing**

CTs – CT1 had 10 Ghost starts and 8 actual of 16 forecasted. FYTD total is 80 starts. CT2 had 6 starts of 16 forecasted. FYTD total is 26 starts.

- **Outages**
 - **CT1 Lodi** – 9/29/24 @ 2114 thru 10/1/24 @ 1600, Allen Bradley Flex 5000 I/O control modules operate our BOP (gas comp, water plant) and communicates via Modbus to our main Micronet turbine controller. Unfortunately, an internal network communication issue started happening during that evening. Unit was forced out to allow our tech's time to troubleshoot and call for support from Drake Controls and Allen Bradley. OMS 16279827.
 - **CT1 Alameda U1/U2** – Available
 - **CT2 STIG** – Forced outage on 9/30/24 @ 1457 thru 1626, due to LEC B gas compressor leak. This was a precautionary measure as the wind was pushing gases towards CT2 inlet while unit was online.
- **CT1 Lodi Run Hours**
 - YTD hours 104.40 of 200 Allowed (based on calendar year)
- **CT1 Alameda Diesel Hours**
 - U1= 6.05 hrs. of 42 (during any consecutive 12-month period)
 - U2= 3.49 hrs. of 42 (during any consecutive 12-month period)

- **Planned Outages**
 - CT1 Alameda U1/U2- January 1 – 31, 2025
 - CT2 - April 1 – 30, 2025
 - CT1 Lodi – May 1 – 31, 2025
- **Safety**
 - No issues to report
- **Environmental**
 - No issues to report

Staff reviewed the CAISO Commitment Runs for September 2024.

13. Planning and Operations Update

- **Pending Integrations**
 - Lodi Strategic Reserve Resource – Pending COD
 - Scarlett II – December 2024
 - Other PV / BESS integrations
- **Resources Integrate**
 - Scarlet – 100 MW PV / 30 MW BESS (EBCE)
 - Scarlet – 100 MW PV / 30 MW BESS (SJCE)
 - Yellow Pine II – 65 MW PV / 32 MW BESS (SJCE)
 - Proxima – 70 MW PV / 32 MW BESS (SCPA)
 - Sagebrush – 59 MW BESS (SCPA)
 - Tumbleweed – 50 MW BESS (EBCE)
 - Middle River Project – 99.4 MW RA / Energy Hedge (EBCE)
 - Malaga – 96 MW RA / Energy Hedge (EBCE)
- **Market Readiness**
- **Resource Development**
 - ZWEDC – pending PPA execution
 - NCPA Renewable RFP – Under Review
- **Ongoing daily operational activities**



14. Next Meeting – The next regular Facilities Committee meeting is scheduled for November 6, 2024.

ADJOURNMENT

The meeting was adjourned at 12:15 pm by the Committee Chair.

**Northern California Power Agency
October 2, 2024 Facilities Committee Meeting
Attendance List**

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

<u>MEMBER</u>	<u>NAME</u>
ALAMEDA	
BART	
BIGGS	
GRIDLEY	
HEALDSBURG	
LODI	
LOMPOC	
PALO ALTO	
PLUMAS-SIERRA REC	
PORT OF OAKLAND	
REDDING	
ROSEVILLE	
SANTA CLARA	
SHASTA LAKE	
TID	
UKIAH	

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

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Minutes

To: NCPA Facilities Committee

From: Cheryl Bolt

Subject: October 23, 2024 Special Facilities Committee Meeting Minutes

1. **Call meeting to order & Roll Call** – The meeting was called to order by Tony Zimmer at 9:06 am. Attending via teleconference and on-line presentation were Midson Hay and Ben Rings (Alameda), Terry Crowley (Healdsburg), Brad Wilkie (Lompoc), Shiva Swaminathan and Vicente Rios (Palo Alto), Nathan Tang and Liem Nguyen (Port of Oakland), Peter Lorenz (non-voting Rep. with TID) and Cindy Sauers (Ukiah). Those attending in person are listed on the attached Attendee Sign-in Sheet. Committee Representatives from BART, Gridley, Plumas-Sierra, Redding, and Shasta Lake were absent. A quorum of the Committee was established at the time of roll. Elisa Arteaga (Gridley) joined the meeting at 9:40 am

PUBLIC FORUM

No public comment.

OPEN SESSION

DISCUSSION / ACTION ITEMS

2. **NCPA Support Services - CLEAResult Consulting, Inc** – Staff presented background information and was seeking a recommendation for Commission approval of the Second Amendment to Resolution 21-120 and to authorize NCPA's General Manager or his designee to execute the Second Amendment to Confirmation Number 0236. The Facilities Committee had no further questions.

FISCAL IMPACT: There is no fiscal impact to NCPA. The services provided by CLEAResult to SVP will be billed to and paid by SVP pursuant to the terms of the Support Services Program Agreement. NCPA's administrative costs will be reimbursed by SVP.

Motion: A motion was made by Brad Wilkie and seconded by Monica Nguyen recommending Commission approval to authorize NCPA's General Manager to execute the Second Amendment to Confirmation Number 0236 in the amount not to exceed \$598,453 plus \$8,605 for NCPA's administrative fees, for a total not to exceed amount of \$607,058, with any non-substantive changes as approved by the NCPA General Counsel in the amount not to exceed \$598,453 plus \$8,605 for NCPA's administrative fees, for a total not to exceed amount of \$607,058, with any non-substantive changes as approved by the NCPA General Counsel. The motion carried by a majority of those Committee members present on a roll call vote as follows: YES = Alameda,

Biggs, Healdsburg, Lodi, Lompoc, Palo Alto, Roseville, Santa Clara, and Ukiah. ABSTAIN = Port of Oakland. The motion passed.

- 3. NCPA Geothermal Facility – 2025 Geothermal FY24 Encumbrance Request** — Staff presented background information and are proposing that excess funds from several projects budgeted in FY 2024 be encumbered and reallocated to help fund removing the underground diesel tank that is used to supply the back-up auxiliary generator and Plant #2 Fire Pump System with fuel and replace it with an above-ground tank. Staff is seeking a recommendation for Commission approval to authorize the reallocation of funds in the FY 2024 budget to help fund this project.

FISCAL IMPACT: If approved, a total of \$587,919 of FY 2024 project funds will be encumbered and reallocated to the Geothermal Plant #2 Diesel Tank Project, for revised total project funding of \$787,919. A breakdown of the additional funding sources is shown in the table below.

Project	Remaining Funds
FY 2024 Plant #1 Steam Strainer	\$188,077
FY 2024 Plant #1 13.8 KV / 2.4 KV / 480 V Bus Restoration	\$124,842
FY 2024 Plant #2 Diesel Tank	\$275,000
FY 2025 Plant #2 Diesel Tank*	\$200,000
Total	\$787,919

**Already approved in the FY25 Budget*

Motion: A motion was made by Brian Schinstock and seconded by Jiayo Chiang recommending Commission approval to authorize the FY 2024 Geothermal Facilities Encumbrance Request and reallocating funds from the FY 2024 budget in the amount of \$587,919 to help fund the Geothermal Plant #2 Diesel Tank Project, pending NCPA encumbrance processing. The motion carried by a majority of those Committee members present on a roll call vote as follows: YES = Alameda, Biggs, Healdsburg, Lodi, Lompoc, Port of Oakland, Roseville, Santa Clara, and Ukiah. ABSTAIN = Palo Alto. The motion passed.

- 4. NCPA Hydroelectric Facility – 2025 Hydroelectric Facilities FY24 Encumbrances** – Staff presented background information and are requesting Commission approval authorizing the FY 2024 Hydro Facilities encumbrances and to reallocate various funds in the FY 2024 budget to help fund the projects listed herein as follows:
- **Collierville Powerhouse Turbine Runner** – Staff shared that a crack in the turbine runner was detected during maintenance. Collierville has no spare runner and the lead time to purchase a new runner is 18-24 months. If not acted upon now, the unit is exposed to long duration outages.
 - **New Spicer Meadow Sidelights and Roof Leaks** – Staff reported that the Powerhouse's building sidelights and roof require maintenance to prevent water leakage and to protect critical generation equipment from water intrusion. Repair attempts have been made with marginal success to the existing semi-transparent sidelights, as existing materials are brittle. Looking to replace with metal.
 - **New Spicer Meadow Dam Spillway** – Staff reported that the spillway is damaged and is in need of critical maintenance to remain compliant with Federal and State agencies.
 - **McKays 17 Kv Wildfire Mitigation** – Staff reported that funds were approved in the FY 2025 budget, however, road access is not feasible and additional helicopter support is required in order to mitigate the risk of high fire danger with exposed conductors and to get the project completed on time.

FISCAL IMPACT: The total combined estimated cost of the projects is not to exceed \$1,468,500. A table detailing a breakdown of the estimated costs associated with each project can be referenced in Staff Report 256:24.

Motion: A motion was made by Alan Harbottle and seconded by Monica Nguyen recommending Commission approval to authorize the FY 2024 Hydroelectric Facilities Encumbrances and reallocating various funds in the FY24 budget in the amount of \$1,468,500 to help fund the CV Turbine Runner Repair Project, NSM Spillway Maintenance Project, NSM Sidelight & Roof Maintenance Project and additional funding for the budget approved McKays 17Kv Wildfire Mitigation Project, pending NCPA encumbrance processing. The motion carried by a majority of those Committee members present on a roll call vote as follows: YES = Alameda, Biggs, Healdsburg, Lodi, Lompoc, Palo Alto, Port of Oakland, Roseville, Santa Clara, and Ukiah. The motion passed.

INFORMATIONAL ITEMS

All NCPA Members – STIG Repowering and Future Options Discussion – Staff discussed the status of the STIG unit and reported that inspections may reveal that the unit has reached a critical point in its lifecycle. Staff explained that the unit is experiencing high vibration risks and there is no third-party maintenance support. As of October 9, 2024, CT2 is in a forced outage.

➤ **Upgrade Options – Repower Technology Highlights**

- Staff presented to the Committee a breakdown of demolition costs.
- Staff provided an overview of an upgraded GE natural gas/biofuel/hydrogen turbine technology
- The LM6000 aeroderivative gas turbine has over 40 million operating hours and more than 1,200 units have shipped worldwide
- Unit has the capability to burn 35% hydrogen
- GE has committed to 100% hydrogen by 2030
- 57+MW output but up to 49.9MW is proposed
- Engine capable of being powered up in 5 minutes
- No major permitting changes anticipated
- Estimated operable lifespan could go beyond 2045
- MID recently repowered their STIG to a GE LM6000 Peaker
- Repowering CT2 will not be deemed a “new project” as there are no plans to increase capacity or technology
- If unit ordered now the delivery schedule is 1.5 to 2 years out
- 1 year CAISO Repower Evaluation process

➤ **Project Costs**

- A breakdown of costs associated with the project estimated at \$48 million
- Payback of investment estimated to be 9 years
- Staff reported that these project costs could potentially be included in the 2026 budget
- 2nd Phase costs are estimated to be \$5 million
- 3rd Phase costs estimated at \$43 million

➤ **Next Steps**

- Staff discussed the urgency to move this project forward and an immediate need to schedule a meeting with Members who are eager to move this project forward.
- Further discussions are required to confirm Member commitment and willingness to increase their share of the project.
- Looking at having the 2nd phase agreement approved and signed by April 2025

- NCPA General Counsel recommended to project participants that they reach out to her directly if they intend to move into the Phase 2 agreement so that she can add this as a discussion item at the next Legal Committee meeting scheduled for November 7, 2024

ADJOURNMENT

The meeting was adjourned at 12:15 pm by Tony Zimmer.

DRAFT

**Northern California Power Agency
October 23, 2024 Special Facilities Committee Meeting
Attendance List**

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

<u>MEMBER</u>	<u>NAME</u>
ALAMEDA	Alan Harbottle
BART	
BIGGS	Bo Sheppard
GRIDLEY	
HEALDSBURG	
LODI	James Clancy
LOMPOC	
PALO ALTO	
PLUMAS-SIERRA REC	
PORT OF OAKLAND	
REDDING	
ROSEVILLE	B. S. Obed
SANTA CLARA	
SHASTA LAKE	
TID	
UKIAH	

**Northern California Power Agency
October 23, 2024 Special Facilities Committee Meeting
Attendance List**

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

[illegible]



Commission Staff Report – *DRAFT*

COMMISSION MEETING DATE: December 5, 2024

SUBJECT: Atlas Copco Compressors LLC – Five Year Multi-Task General Services Agreement for Air Compressor and Motor Maintenance Related Services; Applicable to the following: All Northern California Power Agency (NCPA) Facilities, NCPA Members, Southern California Public Power Authority (SCPPA), and SCPPA Members

AGENDA CATEGORY: Consent

FROM:	Michael DeBortoli	METHOD OF SELECTION:
	Assistant General Manager	N/A
Division:	Generation Services	<i>If other, please describe:</i>
Department:	Combustion Turbines	

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

RECOMMENDATION:

Approve Resolution 24-XX authorizing the General Manager or his designee to enter into a Multi-Task General Services Agreement with Atlas Copco Compressors LLC for air compressor and motor maintenance related services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$2,000,000 over five years, for use at any facilities owned and/or operated by NCPA, NCPA Members, by SCPPA and SCPPA Members.

BACKGROUND:

Various air compressor and motor maintenance related services are required from time to time for the operation and maintenance of facilities owned and/or operated by NCPA, NCPA Members, by SCPPA and SCPPA Members. NCPA desires to enter into this agreement so established terms and conditions are in place should this vendor be the successful bidder on future purchases. NCPA has agreements in place for similar services with Cisco Air Systems, Dahl-Beck, Industrial Electric, Martech and Sulzer Turbo.

FISCAL IMPACT:

Upon execution, the total cost of the agreement is not to exceed \$2,000,000 over five years. Purchase orders referencing the terms and conditions of the agreement will be issued following NCPA procurement policies and procedures.

SELECTION PROCESS:

This enabling agreement does not commit NCPA to any expenditure of funds. At the time services are needed, NCPA will bid the specific scope of work consistent with NCPA procurement policies and procedures. NCPA seeks bids from qualified providers as required. Bids are awarded to the vendor providing the best overall value to NCPA. NCPA will issue purchase orders based on cost and availability of the services needed at the time the service is required.

ENVIRONMENTAL ANALYSIS:

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 of the California Environmental Quality Act. No environmental review is necessary.

COMMITTEE REVIEW:

Pending Committee review and approval.

AFTER FACILITIES APPROVAL: On November 6, 2024 the Facilities Committee reviewed and endorsed the recommendation above for Commission approval.

AFTER LEC PPC APPROVAL: On November 4, 2024 the Lodi Energy Center Project Participant Committee reviewed and approved the recommendation above for Commission approval.

Respectfully submitted,

RANDY S. HOWARD
General Manager

Attachments (2):

- Resolution 24-XX
- Multi-Task General Services Agreement with Atlas Copco Compressors LLC

RESOLUTION 24-XX

**RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY
APPROVING A MULTI-TASK GENERAL SERVICES AGREEMENT WITH ATLAS COPCO
COMPRESSORS LLC**

(reference Staff Report XXX:24)

WHEREAS, various air compressor and motor maintenance related services are required from time to time for the operation and maintenance of facilities owned and/or operated by the Northern California Power Agency (NCPA), NCPA Members, by the Southern California Public Power Authority (SCPPA), and SCPPA Members; and

WHEREAS, Atlas Copco Compressors LLC is a provider of these services; and

WHEREAS, the NCPA Commission has reviewed the Multi-Task General Services Agreement with Atlas Copco Compressors LLC to provide such services as needed at any facilities owned and/or operated by NCPA, NCPA Members, by SCPPA, and SCPPA Members; 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 or his designee to enter into said Multi-Task General Services Agreement, with any non-substantial changes as approved by the NCPA General Counsel, which shall not exceed \$2,000,000 over five years, for use at any facilities owned and/or operated by NCPA, NCPA Members, by SCPPA, and SCPPA Members.

PASSED, ADOPTED and APPROVED this ____ day of _____, 2024 by the following vote on roll call:

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

JENELLE OSBORNE
CHAIR

ATTEST:

CARRIE POLLO
ASSISTANT SECRETARY



**MULTI-TASK
GENERAL SERVICES AGREEMENT BETWEEN
THE NORTHERN CALIFORNIA POWER AGENCY AND
ATLAS COPCO COMPRESSORS, LLC**

This Multi-Task General Services Agreement ("Agreement") is made by and between the Northern California Power Agency, a joint powers agency with its main office located at 651 Commerce Drive, Roseville, CA 95678-6420 ("Agency") and Atlas Copco Compressors, LLC, a limited liability company with its office located at 48430 Milmont Drive, Fremont, CA 94538 ("Contractor") (together sometimes referred to as the "Parties") as of _____, 2024 ("Effective Date") in Roseville, California.

Section 1. SCOPE OF WORK. Subject to the terms and conditions set forth in this Agreement, Contractor is willing to provide to Agency the range of services and/or goods described in the Scope of Work attached hereto as Exhibit A and incorporated herein ("Work").

- 1.1 Term of Agreement.** The term of this Agreement shall begin on the Effective Date and shall end when Contractor completes the Work, or no later than five (5) years from the date this Agreement was signed by Agency, whichever is shorter.
- 1.2 Standard of Performance.** Contractor shall perform the Work in the manner and according to the standards observed by a competent practitioner of the profession in which Contractor is engaged and for which Contractor is providing the Work. Contractor represents that it is licensed, qualified and experienced to provide the Work set forth herein.
- 1.3 Assignment of Personnel.** Contractor shall assign only competent personnel to perform the Work. In the event that Agency, in its sole discretion, at any time during the term of this Agreement, requests the reassignment of any such personnel, Contractor shall, immediately upon receiving written notice from Agency of such request, reassign such personnel.
- 1.4 Work Provided.** Work provided under this Agreement by Contractor may include Work directly to the Agency or, as requested by the Agency and consistent with the terms of this Agreement, to Agency members, Southern California Public Power Authority ("SCPPA") or SCPPA members.
- 1.5 Request for Work to be Performed.** At such time that Agency determines to have Contractor perform Work under this Agreement, Agency shall issue a Purchase Order. The Purchase Order shall identify the specific Work to be performed ("Requested Work"), may include a not-to-exceed cap on monetary cap on Requested Work and all related expenditures authorized by that Purchase Order, and shall include a time by which the Requested Work shall be completed. Contractor shall have seven calendar days from the date of the Agency's issuance of the Purchase Order in which to respond in writing that Contractor chooses not to perform the Requested Work. If Contractor agrees to perform the Requested Work, begins to perform the Requested Work, or does

not respond within the seven day period specified, then Contractor will have agreed to perform the Requested Work on the terms set forth in the Purchase Order, this Agreement and its Exhibits.

Section 2. COMPENSATION. Agency hereby agrees to pay Contractor an amount **NOT TO EXCEED** TWO MILLION dollars (\$2,000,000.00) for the Work, which shall include all fees, costs, expenses and other reimbursables, as set forth in Contractor's fee schedule, attached hereto and incorporated herein as Exhibit B. This dollar amount is not a guarantee that Agency will pay that full amount to the Contractor, but is merely a limit of potential Agency expenditures under this Agreement.

2.1 Invoices. Contractor shall submit invoices, not more often than once a month during the term of this Agreement, based on the cost for services performed and reimbursable costs incurred prior to the invoice date. Invoices shall contain the following information:

- The beginning and ending dates of the billing period;
- Work performed;
- The Purchase Order number authorizing the Requested Work;
- At Agency's option, for each work item in each task, a copy of the applicable time entries or time sheets shall be submitted showing the name of the person doing the work, the hours spent by each person, a brief description of the work, and each reimbursable expense, with supporting documentation, to Agency's reasonable satisfaction;
- At Agency's option, the total number of hours of work performed under the Agreement by Contractor and each employee, agent, and subcontractor of Contractor performing work hereunder.

Invoices shall be sent to:

Northern California Power Agency
651 Commerce Drive
Roseville, California 95678
Attn: Accounts Payable
AcctsPayable@ncpa.com

2.2 Monthly Payment. Agency shall make monthly payments, based on invoices received, for Work satisfactorily performed, and for authorized reimbursable costs incurred. Agency shall have thirty (30) days from the receipt of an invoice that complies with all of the requirements above to pay Contractor.

2.3 Payment of Taxes. Contractor is solely responsible for the payment of all federal, state and local taxes, including employment taxes, incurred under this Agreement.

2.4 Authorization to Perform Work. The Contractor is not authorized to perform any Work or incur any costs whatsoever under the terms of this Agreement until receipt of a Purchase Order from the Contract Administrator.

2.5 Timing for Submittal of Final Invoice. Contractor shall have ninety (90) days after completion of the Requested Work to submit its final invoice for the Requested Work. In the event Contractor fails to submit an invoice to Agency for any amounts due within the ninety (90) day period, Contractor is deemed to have waived its right to collect its final payment for the Requested Work from Agency.

Section 3. FACILITIES AND EQUIPMENT. Except as set forth herein, Contractor shall, at its sole cost and expense, provide all facilities and equipment that may be necessary to perform the Work.

Section 4. INSURANCE REQUIREMENTS. Before beginning any Work under this Agreement, Contractor, at its own cost and expense, shall procure the types and amounts of insurance listed below and shall maintain the types and amounts of insurance listed below for the period covered by this Agreement.

4.1 Workers' Compensation. If Contractor employs any person, Contractor shall maintain Statutory Workers' Compensation Insurance and Employer's Liability Insurance for any and all persons employed directly or indirectly by Contractor with limits of not less than one million dollars (\$1,000,000.00) per accident.

4.2 Commercial General and Automobile Liability Insurance.

4.2.1 Commercial General Insurance. Contractor shall maintain commercial general liability insurance for the term of this Agreement, including products liability, covering any loss or liability, including the cost of defense of any action, for bodily injury, death, personal injury and broad form property damage which may arise out of the operations of Contractor. The policy shall provide a minimum limit of \$2,000,000 per occurrence/\$2,000,000 aggregate. Commercial general coverage shall be at least as broad as ISO Commercial General Liability form CG 0001 (current edition) on "an occurrence" basis covering comprehensive General Liability, with a self-insured retention or deductible of no more than \$100,000. No endorsement shall be attached limiting the coverage.

4.2.2 Automobile Liability. Contractor shall maintain automobile liability insurance form CA 0001 (current edition) for the term of this Agreement covering any loss or liability, including the cost of defense of any action, arising from the operation, maintenance or use of any vehicle (symbol 1), whether or not owned by the Contractor, on or off Agency premises. The policy shall provide a minimum limit of \$2,000,000 per each accident, with a self-insured retention or deductible of no more than \$100,000. This insurance shall provide contractual liability covering all motor vehicles and

mobile equipment to the extent coverage may be excluded from general liability insurance.

4.2.3 General Liability/Umbrella Insurance. The coverage amounts set forth above may be met by a combination of underlying and umbrella policies as long as in combination the limits equal or exceed those stated.

4.3 Professional Liability Insurance. Not Applicable.

4.4 Pollution Insurance. Not Applicable.

4.5 All Policies Requirements.

4.5.1 Verification of coverage. Prior to beginning any work under this Agreement, Contractor shall provide Agency with (1) a Certificate of Insurance that demonstrates compliance with all applicable insurance provisions contained herein and (2) policy endorsements to the policies referenced in Section 4.2 and in Section 4.4, if applicable, adding the Agency as an additional insured and declaring such insurance primary in regard to work performed pursuant to this Agreement.

4.5.2 Notice of Reduction in or Cancellation of Coverage. Contractor shall provide at least thirty (30) days prior written notice to Agency of any reduction in scope or amount, cancellation, or modification adverse to Agency of the policies referenced in Section 4.

4.5.3 Higher Limits. If Contractor maintains higher limits than the minimums specified herein, the Agency shall be entitled to coverage for the higher limits maintained by the Contractor.

4.5.4 Additional Certificates and Endorsements. If Contractor performs Work for Agency members, SCPPA and/or SCPPA members pursuant to this Agreement, Contractor shall provide the certificates of insurance and policy endorsements, as referenced in Section 4.5.1, naming the specific Agency member, SCPPA and/or SCPPA member for which the Work is to be performed.

4.5.5 Waiver of Subrogation. Contractor agrees to waive subrogation which any insurer of Contractor may acquire from Contractor by virtue of the payment of any loss Contractor agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation. In addition, the Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of Agency for all work performed by Contractor, its employees, agents and subcontractors

4.6 Contractor's Obligation. Contractor shall be solely responsible for ensuring that all equipment, vehicles and other items utilized in the performance of Work

are operated, provided or otherwise utilized in a manner that ensures they are and remain covered by the policies referenced in Section 4 during this Agreement. Contractor shall also ensure that all workers involved in the provision of Work are properly classified as employees, agents or independent contractors and are and remain covered by any and all workers' compensation insurance required by applicable law during this Agreement.

Section 5. INDEMNIFICATION AND CONTRACTOR'S RESPONSIBILITIES.

- 5.1 Effect of Insurance.** Agency's acceptance of insurance certificates and endorsements required under this Agreement does not relieve Contractor from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply to any damages or claims for damages whether or not such insurance policies shall have been determined to apply. By execution of this Agreement, Contractor acknowledges and agrees to the provisions of this section and that it is a material element of consideration.
- 5.2 Scope.** Contractor shall indemnify, defend with counsel reasonably acceptable to the Agency, and hold harmless the Agency, and its officials, commissioners, officers, employees, agents and volunteers from and against all third-party losses, liabilities, claims, demands, suits, actions, damages, expenses, penalties, fines, costs (including without limitation reasonable costs and reasonable fees of litigation), judgments for personal injuries, including death, and/or property damage, caused by the negligence Contractor, its officers, officials, agents, and employees, except as caused by the active or gross negligence of Agency. Notwithstanding, should this Agreement be construed as a construction agreement under Civil Code section 2783, then the exception referenced above shall also be for the active negligence of Agency.
- 5.3 Transfer of Title.** Not Applicable.

Section 6. STATUS OF CONTRACTOR.

- 6.1 Independent Contractor.** Contractor is an independent contractor and not an employee of Agency. Agency shall have the right to control Contractor only insofar as the results of Contractor's Work and assignment of personnel pursuant to Section 1; otherwise, Agency shall not have the right to control the means by which Contractor accomplishes Work rendered pursuant to this Agreement. Notwithstanding any other Agency, state, or federal policy, rule, regulation, law, or ordinance to the contrary, Contractor and any of its employees, agents, and subcontractors providing services under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any and all claims to, any compensation, benefit, or any incident of employment by Agency, including but not limited to eligibility to enroll in the California Public Employees Retirement System (PERS) as an employee of Agency and entitlement to any contribution to

be paid by Agency for employer contributions and/or employee contributions for PERS benefits.

Contractor shall indemnify, defend, and hold harmless Agency for the payment of any employee and/or employer contributions for PERS benefits on behalf of Contractor or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of Agency. Contractor and Agency acknowledge and agree that compensation paid by Agency to Contractor under this Agreement is based upon Contractor's estimated costs of providing the Work, including salaries and benefits of employees, agents and subcontractors of Contractor.

Contractor shall indemnify, defend, and hold harmless Agency from any lawsuit, administrative action, or other claim for penalties, losses, costs, damages, expense and liability of every kind, nature and description that arise out of, pertain to, or relate to such claims, whether directly or indirectly, due to Contractor's failure to secure workers' compensation insurance for its employees, agents, or subcontractors.

Contractor agrees that it is responsible for the provision of group healthcare benefits to its fulltime employees under 26 U.S.C. § 4980H of the Affordable Care Act. To the extent permitted by law, Contractor shall indemnify, defend and hold harmless Agency from any penalty issued to Agency under the Affordable Care Act resulting from the performance of the Services by any employee, agent, or subcontractor of Contractor.

- 6.2 Contractor Not Agent.** Except as Agency may specify in writing, Contractor shall have no authority, express or implied, to act on behalf of Agency in any capacity whatsoever as an agent. Contractor shall have no authority, express or implied, pursuant to this Agreement to bind Agency to any obligation whatsoever.
- 6.3 Assignment and Subcontracting.** This Agreement contemplates personal performance by Contractor and is based upon a determination of Contractor's unique professional competence, experience, and specialized professional knowledge. A substantial inducement to Agency for entering into this Agreement was and is the personal reputation and competence of Contractor. Contractor may not assign this Agreement or any interest therein without the prior written approval of the Agency. Contractor shall not subcontract any portion of the performance contemplated and provided for herein, other than to the subcontractors identified in Exhibit A, without prior written approval of the Agency. Where written approval is granted by the Agency, Contractor shall supervise all work subcontracted by Contractor in performing the Work and shall be responsible for all work performed by a subcontractor as if Contractor itself had performed such work. The subcontracting of any work to subcontractors shall not relieve Contractor from any of its obligations under this Agreement with respect to the Work and Contractor is obligated to ensure that any and all

subcontractors performing any Work shall be fully insured in all respects and to the same extent as set forth under Section 4, to Agency's satisfaction.

- 6.4 Certification as to California Energy Commission.** If requested by the Agency, Contractor shall, at the same time it executes this Agreement, execute Exhibit C.
- 6.5 Certification as to California Energy Commission Regarding Hazardous Materials Transport Vendors.** If requested by the Agency, Contractor shall, at the same time it executes this Agreement, execute Exhibit D.
- 6.6 Maintenance Labor Agreement.** If the Work is subject to the terms of one or more Maintenance Labor Agreements, which are applicable only to certain types of construction, repair and/or maintenance projects, then Contractor shall execute Exhibit E and/or similar documentation as to compliance.

Section 7. LEGAL REQUIREMENTS.

- 7.1 Governing Law.** The laws of the State of California shall govern this Agreement.
- 7.2 Compliance with Applicable Laws.** Contractor and its subcontractors and agents, if any, shall comply with all laws applicable to the performance of the work hereunder.
- 7.3 Licenses and Permits.** Contractor represents and warrants to Agency that Contractor and its employees, agents, and subcontractors (if any) have and will maintain at their sole expense during the term of this Agreement all licenses, permits, qualifications, and approvals of whatever nature that are legally required to practice their respective professions.
- 7.4 Monitoring by DIR.** The Work is subject to compliance monitoring and enforcement by the Department of Industrial Relations.
- 7.5 Registration with DIR.** During the term of this Agreement, Contractor warrants that it is registered with the Department of Industrial Relations and qualified to perform Work consistent with Labor Code section 1725.5.
- 7.6 Prevailing Wage Rates.** In accordance with California Labor Code Section 1771, not less than the general prevailing rate of per diem wages for work of a similar character in the locality in which the Work is to be performed, and not less than the general prevailing rate of per diem wages for holiday and overtime work as provided in the California Labor Code must be paid to all workers engaged in performing the Work. In accordance with California Labor Code Section 1770 and following, the Director of Industrial Relations has determined the general prevailing wage per diem rates for the locality in which the Work is to be performed; the Agency has obtained the general prevailing rate of per diem wages and the general rate for holiday and overtime work in the locality in which

the Work is to be performed for each craft, classification or type of worker needed to perform the project; and copies of the prevailing rate of per diem wages are on file at the Agency and will be made available on request. Throughout the performance of the Work, Contractor must comply with all applicable laws and regulations that apply to wages earned in performance of the Work. Contractor assumes all responsibility for such payments and shall defend, indemnify and hold the Agency harmless from any and all claims made by the State of California, the Department of Industrial Relations, any subcontractor, any worker or any other third party with regard thereto.

Additionally, in accordance with the California Administrative Code, Title 8, Group 3, Article 2, Section 16000, Publication of Prevailing Wage Rates by Awarding Bodies, copies of the applicable determination of the Director can be found on the web at: <http://www.dir.ca.gov/DLSR/PWD/> and may be reviewed at any time.

Contractor shall provide a certified copy of its payroll, on forms to be determined by the Agency and consistent with the Labor Code, within ten (10) days of the Contractor's receipt of Agency's written request therefor. Contractor's failure to timely comply with this provision may subject the Contractor to penalties pursuant to state law.

Contractor shall comply with applicable law, including Labor Code Sections 1774 and 1775. In accordance with Section 1775, Contractor shall forfeit as a penalty to Agency \$200.00 for each calendar day or portion thereof, for each worker paid less than the prevailing rates as determined by the Director of Industrial Relations for such work or craft in which such worker is employed for any Work done under the Agreement by Contractor or by any subcontractor under Contractor in violation of the provisions of the Labor Code and in particular, Labor Code Sections 1770 *et seq.* In addition to the penalty and pursuant to Section 1775, the difference between such prevailing wage rates and the amount paid to each worker for each calendar day or portion thereof for which each worker was paid less than the prevailing wage rate shall be paid to each worker by the Contractor.

Section 8. TERMINATION AND MODIFICATION.

- 8.1 Termination.** Agency may cancel this Agreement at any time and without cause upon ten (10) days prior written notice to Contractor.

In the event of termination, Contractor shall be entitled to compensation for Work satisfactorily completed as of the effective date of termination; Agency, however, may condition payment of such compensation upon Contractor delivering to Agency any or all records or documents (as referenced in Section 9.1 hereof).

- 8.2 Amendments.** The Parties may amend this Agreement only by a writing signed by both of the Parties.

8.3 Survival. All obligations arising prior to the termination of this Agreement and all provisions of this Agreement allocating liability between Agency and Contractor shall survive the termination of this Agreement.

8.4 Options upon Breach by Contractor. If Contractor materially breaches any of the terms of this Agreement, including but not limited to those set forth in Section 4, Agency's remedies shall include, but not be limited to, the following:

8.4.1 Immediately terminate the Agreement;

8.4.2 Retain the plans, specifications, drawings, reports, design documents, and any other work product prepared by Contractor pursuant to this Agreement;

8.4.3 Retain a different Contractor to complete the Work not finished by Contractor; and/or

8.4.4 Charge Contractor the difference between the costs to complete the Work that is unfinished at the time of breach and the amount that Agency would have paid Contractor pursuant hereto if Contractor had completed the Work.

Section 9. KEEPING AND STATUS OF RECORDS.

9.1 Records Created as Part of Contractor's Performance. All reports, data, maps, models, charts, studies, surveys, photographs, memoranda, plans, studies, specifications, records, files, or any other documents or materials, in electronic or any other form, that Contractor prepares or obtains pursuant to this Agreement and that relate to the matters covered hereunder shall be the property of the Agency. Contractor hereby agrees to deliver those documents to the Agency upon termination of the Agreement. Agency and Contractor agree that, unless approved by Agency in writing, Contractor shall not release to any non-parties to this Agreement any data, plans, specifications, reports and other documents.

9.2 Contractor's Books and Records. Contractor shall maintain any and all records or other documents evidencing or relating to charges for Work or expenditures and disbursements charged to the Agency under this Agreement for a minimum of three (3) years, or for any longer period required by law, from the date of final payment to the Contractor under this Agreement.

9.3 Inspection and Audit of Records. Any records or documents that this Agreement requires Contractor to maintain shall be made available for inspection, audit, and/or copying at any time during regular business hours, upon oral or written request of the Agency. Under California Government Code Section 8546.7, if the amount of public funds expended under this Agreement exceeds ten thousand dollars (\$10,000.00), the Agreement shall be subject to

the examination and audit of the State Auditor, at the request of Agency or as part of any audit of the Agency, for a period of three (3) years after final payment under this Agreement.

9.4 Confidential Information and Disclosure.

9.4.1 Confidential Information. The term "Confidential Information", as used herein, shall mean any and all confidential, proprietary, or trade secret information, whether written, recorded, electronic, oral or otherwise, where the Confidential Information is made available in a tangible medium of expression and marked in a prominent location as confidential, proprietary and/or trade secret information. Confidential Information shall not include information that: (a) was already known to the Receiving Party or is otherwise a matter of public knowledge, (b) was disclosed to Receiving Party by a third party without violating any confidentiality agreement, (c) was independently developed by Receiving Party without reverse engineering, as evidenced by written records thereof, or (d) was not marked as Confidential Information in accordance with this section.

9.4.2 Non-Disclosure of Confidential Information. During the term of this Agreement, either party may disclose (the "Disclosing Party") Confidential Information to the other party (the "Receiving Party"). The Receiving Party: (a) shall hold the Disclosing Party's Confidential Information in confidence; and (b) shall take all reasonable steps to prevent any unauthorized possession, use, copying, transfer or disclosure of such Confidential Information.

9.4.3 Permitted Disclosure. Notwithstanding the foregoing, the following disclosures of Confidential Information are allowed. Receiving Party shall endeavor to provide prior written notice to Disclosing Party of any permitted disclosure made pursuant to Section 9.4.3.2 or 9.4.3.3. Disclosing Party may seek a protective order, including without limitation, a temporary restraining order to prevent or contest such permitted disclosure; provided, however, that Disclosing Party shall seek such remedies at its sole expense. Neither party shall have any liability for such permitted disclosures:

9.4.3.1 Disclosure to employees, agents, contractors, subcontractors or other representatives of Receiving Party that have a need to know in connection with this Agreement.

9.4.3.2 Disclosure in response to a valid order of a court, government or regulatory agency or as may otherwise be required by law; and

9.4.3.3 Disclosure by Agency in response to a request pursuant to the California Public Records Act.

9.4.4 Handling of Confidential Information. Upon conclusion or termination of the Agreement, Receiving Party shall return to Disclosing Party or destroy Confidential Information (including all copies thereof), if requested by Disclosing Party in writing. Notwithstanding the foregoing, the Receiving Party may retain copies of such Confidential Information, subject to the confidentiality provisions of this Agreement: (a) for archival purposes in its computer system; (b) in its legal department files; and (c) in files of Receiving Party's representatives where such copies are necessary to comply with applicable law. Party shall not disclose the Disclosing Party's Information to any person other than those of the Receiving Party's employees, agents, consultants, contractors and subcontractors who have a need to know in connection with this Agreement.

Section 10. PROJECT SITE.

- 10.1 Operations at the Project Site.** Each Project site may include the power plant areas, all buildings, offices, and other locations where Work is to be performed, including any access roads. Contractor shall perform the Work in such a manner as to cause a minimum of interference with the operations of the Agency; if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4; and other contractors at the Project site and to protect all persons and property thereon from damage or injury. Upon completion of the Work at a Project site, Contractor shall leave such Project site clean and free of all tools, equipment, waste materials and rubbish, stemming from or relating to Contractor's Work.
- 10.2 Contractor's Equipment, Tools, Supplies and Materials.** Contractor shall be solely responsible for the transportation, loading and unloading, and storage of any equipment, tools, supplies or materials required for performing the Work, whether owned, leased or rented. Neither Agency nor, if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4, will be responsible for any such equipment, supplies or materials which may be lost, stolen or damaged or for any additional rental charges for such. Equipment, tools, supplies and materials left or stored at a Project site, with or without permission, is at Contractor's sole risk. Anything left on the Project site an unreasonable length of time after the Work is completed shall be presumed to have been abandoned by the Contractor. Any transportation furnished by Agency or, if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4, shall be solely as an accommodation and neither Agency nor, if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4, shall have liability therefor. Contractor shall assume the risk and is solely responsible for its owned, non-owned and hired automobiles, trucks or other motorized vehicles as well as any equipment, tools, supplies, materials or other property which is utilized by Contractor on the Project

site. All materials and supplies used by Contractor in the Work shall be new and in good condition.

- 10.3 Use of Agency Equipment.** Contractor shall assume the risk and is solely responsible for its use of any equipment owned and property provided by Agency and, if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4, for the performance of Work.

Section 11. WARRANTY.

- 11.1 Nature of Work.** Contractor warrants that all Work shall be free from defects in design and workmanship, and that Contractor shall perform all Work in accordance with applicable federal, state, and local laws, rules and regulations including engineering, construction and other codes and standards and prudent electrical utility standards, and in accordance with the terms of this Agreement.
- 11.2 Deficiencies in Work.** Unless specified otherwise by Contractor in its written quotation regarding the particular Product, the above-stated warranty shall expire fifteen (15) months from the date of shipment from Contractor to Agency or twelve (12) months from date of initial start-up of the Product, whichever expires first. Notwithstanding the foregoing, in the event the Product is a part (spare part/ replacement part), the above-stated warranty shall expire ninety (90) days from the date Agency receives the part. The warranty expressly excludes the effects of normal wear and tear. In the event Agency and Contractor have agreed that Contractor will provide installation, start-up or other service in connection with the order, Contractor warrants that the service will be performed in a workmanlike manner; this warranty shall expire thirty (30) days after the service is performed. Contractor warrants that any service performed by Contractor is performed in a workmanlike manner; unless specified otherwise by Contractor in its written quotation, this warranty shall expire thirty (30) days after the date Contractor performs the particular service activity. If Contractor provides parts in connection with the service, Contractor warrants that the parts are free of defects in material and workmanship; this warranty shall expire ninety (90) days from the date Contractor provides such part, unless specified otherwise by Contractor in its applicable written quotation. If service (and/or parts provided in connection therewith) does not meet the above-stated warranties, Agency shall promptly within the applicable above-stated warranty period notify Contractor in writing. Contractor shall at its option (i) re-perform the non-conforming portion of the service and (if applicable) repair or (at Contractor's option) replace the nonconforming part, or (ii) provide a refund allocable to the nonconforming portion of the service/part. Contractor will determine at its sole discretion which of the above-mentioned options (re-performance, repair, replacement, or refund,) Contractor will take.
- 11.3 Assignment of Warranties.** Contractor hereby assigns to Agency all additional warranties, extended warranties, or benefits like warranties, such as insurance,

provided by or reasonably obtainable from suppliers of equipment and material used in the Work.

- 11.4** THE FOREGOING WARRANTIES ARE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES (WRITTEN, ORAL, IMPLIED, OR OTHERWISE), AND ALL OTHER WARRANTIES, INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, ARE HEREBY EXPRESSLY DISCLAIMED. CORRECTION OF NONCONFORMITIES IN THE MANNER AND WITHIN THE APPLICABLE WARRANTY PERIOD SET FORTH ABOVE PROVIDES THE EXCLUSIVE REMEDIES WITH RESPECT TO THE QUALITY OF OR ANY DEFECT IN PRODUCTS OR SERVICES DELIVERED OR PERFORMED HEREUNDER.

Section 12. HEALTH AND SAFETY PROGRAMS. The Contractor shall establish, maintain, and enforce safe work practices, and implement an accident/incident prevention program intended to ensure safe and healthful operations under their direction. The program shall include all requisite components of such a program under Federal, State and local regulations and shall comply with all site programs established by Agency and, if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4.

- 12.1** Contractor is responsible for acquiring job hazard assessments as necessary to safely perform the Work and provide a copy to Agency upon request.
- 12.2** Contractor is responsible for providing all employee health and safety training and personal protective equipment in accordance with potential hazards that may be encountered in performance of the Work and provide copies of the certified training records upon request by Agency. Contractor shall be responsible for proper maintenance and/or disposal of their personal protective equipment and material handling equipment.
- 12.3** Contractor is responsible for ensuring that its lower-tier subcontractors are aware of and will comply with the requirements set forth herein.
- 12.4** Agency, or its representatives, may periodically monitor the safety performance of the Contractor performing the Work. Contractors and its subcontractors shall be required to comply with the safety and health obligations as established in the Agreement. Non-compliance with safety, health, or fire requirements may result in cessation of work activities, until items in non-compliance are corrected. It is also expressly acknowledged, understood and agreed that no payment shall be due from Agency to Contractor under this Agreement at any time when, or for any Work performed when, Contractor is not in full compliance with this Section 12.
- 12.5** Contractor shall immediately report any injuries to the Agency site safety representative. Additionally, the Contractor shall investigate and submit to the Agency site safety representative copies of all written accident reports, and coordinate with Agency if further investigation is requested.

- 12.6** Contractor shall take all reasonable steps and precautions to protect the health of its employees and other site personnel with regard to the Work. Contractor shall conduct occupational health monitoring and/or sampling to determine levels of exposure of its employees to hazardous or toxic substances or environmental conditions. Copies of any sampling results will be forwarded to the Agency site safety representative upon request.
- 12.7** Contractor shall develop a plan to properly handle and dispose of any hazardous wastes, if any, Contractor generates in performing the Work.
- 12.8** Contractor shall advise its employees and subcontractors that any employee who jeopardizes his/her safety and health, or the safety and health of others, may be subject to actions including removal from Work.
- 12.9** Contractor shall, at the sole option of the Agency, develop and provide to the Agency a Hazardous Material Spill Response Plan that includes provisions for spill containment and clean-up, emergency contact information including regulatory agencies and spill sampling and analysis procedures. Hazardous Materials shall include diesel fuel used for trucks owned or leased by the Contractor.
- 12.10** If Contractor is providing Work to an Agency Member, SCPPA or SCPPA member (collectively "Member" solely for the purpose of this section) pursuant to Section 1.4 hereof, then that Member shall have the same rights as the Agency under Sections 12.1, 12.2, 12.4, 12.5, and 12.6 hereof.

Section 13. MISCELLANEOUS PROVISIONS.

- 13.1 Attorneys' Fees.** If a party to this Agreement brings any action, including an action for declaratory relief, to enforce or interpret the provision of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees in addition to any other relief to which that party may be entitled. The court may set such fees in the same action or in a separate action brought for that purpose.
- 13.2 Venue.** In the event that either party brings any action against the other under this Agreement, the Parties agree that trial of such action shall be vested exclusively in the state courts of California in the County of Placer or in the United States District Court for the Eastern District of California.
- 13.3 Severability.** If a court of competent jurisdiction finds or rules that any provision of this Agreement is invalid, void, or unenforceable, the provisions of this Agreement not so adjudged shall remain in full force and effect. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.

13.4 No Implied Waiver of Breach. The waiver of any breach of a specific provision of this Agreement does not constitute a waiver of any other breach of that term or any other term of this Agreement.

13.5 Successors and Assigns. The provisions of this Agreement shall inure to the benefit of and shall apply to and bind the successors and assigns of the Parties.

13.6 Conflict of Interest. Contractor may serve other clients, but none whose activities within the corporate limits of Agency or whose business, regardless of location, would place Contractor in a "conflict of interest," as that term is defined in the Political Reform Act, codified at California Government Code Section 81000 *et seq.*

Contractor shall not employ any Agency official in the work performed pursuant to this Agreement. No officer or employee of Agency shall have any financial interest in this Agreement that would violate California Government Code Sections 1090 *et seq.*

13.7 Contract Administrator. This Agreement shall be administered by the Assistant General Manager, Generation Services, or his/her designee, who shall act as the Agency's representative. All correspondence shall be directed to or through the representative.

13.8 Notices. Any written notice to Contractor shall be sent to:

Atlas Copco Compressors, LLC
Attention: Ryan Johnson
48430 Milmont Drive,
Fremont, CA 94538

Any written notice to Agency shall be sent to:

Randy S. Howard
General Manager
Northern California Power Agency
651 Commerce Drive
Roseville, CA 95678

With a copy to:

Jane E. Luckhardt
General Counsel
Northern California Power Agency
651 Commerce Drive
Roseville, CA 95678

- 13.9 Professional Seal.** Where applicable in the determination of the Agency, the first page of a technical report, first page of design specifications, and each page of construction drawings shall be stamped/sealed and signed by the licensed professional responsible for the report/design preparation.
- 13.10 Integration; Incorporation.** This Agreement, including all the exhibits attached hereto, represents the entire and integrated agreement between Agency and Contractor and supersedes all prior negotiations, representations, or agreements, either written or oral. All exhibits attached hereto are incorporated by reference herein.
- 13.11 Alternative Dispute Resolution.** If any dispute arises between the Parties that cannot be settled after engaging in good faith negotiations, Agency and Contractor agree to resolve the dispute in accordance with the following:
- 13.11.1** Each party shall designate a senior management or executive level representative to negotiate any dispute;
 - 13.11.2** The representatives shall attempt, through good faith negotiations, to resolve the dispute by any means within their authority.
 - 13.11.3** If the issue remains unresolved after fifteen (15) days of good faith negotiations, the Parties shall attempt to resolve the disagreement by negotiation between legal counsel. If the above process fails, the Parties shall resolve any remaining disputes through mediation to expedite the resolution of the dispute.
 - 13.11.4** The mediation process shall provide for the selection within fifteen (15) days by both Parties of a disinterested third person as mediator, shall be commenced within thirty (30) days and shall be concluded within fifteen (15) days from the commencement of the mediation.
 - 13.11.5** The Parties shall equally bear the costs of any third party in any alternative dispute resolution process.
 - 13.11.6** The alternative dispute resolution process is a material condition to this Agreement and must be exhausted as an administrative remedy prior to either Party initiating legal action. This alternative dispute resolution process is not intended to nor shall be construed to change the time periods for filing a claim or action specified by Government Code §§ 900 *et seq.*
- 13.12 Controlling Provisions.** In the case of any conflict between the terms of this Agreement and the Exhibits hereto, a Purchase Order, or Contractor's Proposal (if any), the Agreement shall control. In the case of any conflict between the Exhibits hereto and a Purchase Order or the Contractor's Proposal, the Exhibits

shall control. In the case of any conflict between the terms of a Purchase Order and the Contractor's Proposal, the Purchase Order shall control.

13.13 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one agreement.

13.14 Construction of Agreement. Each party hereto has had an equivalent opportunity to participate in the drafting of the Agreement and/or to consult with legal counsel. Therefore, the usual construction of an agreement against the drafting party shall not apply hereto.

13.15 No Third Party Beneficiaries. This Agreement is made solely for the benefit of the parties hereto, with no intent to benefit any non-signator third parties. However, should Contractor provide Work to an Agency member, SCPPA or SCPPA member (collectively for the purpose of this section only "Member") pursuant to Section 1.4, the parties recognize that such Member may be a third party beneficiary solely as to the Purchase Order and Requested Work relating to such Member.

13.16 LIMITATION OF LIABILITY. NOTWITHSTANDING ANYTHING ELSE, UNDER NO CIRCUMSTANCES SHALL EITHER PARTY BE LIABLE FOR ANY CONSEQUENTIAL, INDIRECT, INCIDENTAL, OR SPECIAL DAMAGES (INCLUDING BUT NOT LIMITED TO LOSS OF PROFITS OR REVENUE, LOSS OF TOTAL OR PARTIAL USE OF PRODUCTS OR SERVICES, DOWNTIME COSTS, AND DELAY COSTS), EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES OR IF SUCH DAMAGES ARE FORESEEABLE (regardless of whether such damages are characterized as arising out of breach of warranty, tort, contract, or otherwise). WITH THE EXCEPTION OF CONTRACTOR'S THIRD PARTY INDEMNIFICATION OBLIGATIONS, INSURABLE CLAIMS, FRAUD, AND BREACH OF CONFIDENTIALITY, THE TOTAL LIABILITY OF EITHER PARTY IN THE AGGREGATE (ARISING OUT OF OR RELATED TO THE PRODUCTS, SERVICE, CONTRACT, AND/OR BREACH OR PERFORMANCE OF CONTRACT) SHALL BE LIMITED TO THE ACTUAL PURCHASE PRICE AMOUNT RECEIVED BY CONTRACTOR FROM AGENCY FOR THE PRODUCT/SERVICE INVOLVED IN THE CLAIM (regardless of whether such damages are characterized as arising out of breach of warranty, tort, contract, or otherwise).

13.17 INTELLECTUAL PROPERTY. No patents, copyrights, trademarks, or other intellectual property is being sold, assigned, or otherwise transferred to Agency. Without limiting the generality of the foregoing, Contractor shall retain and own all right, title and interest in and to all inventions, discoveries, know-how, works of authorship, drawings, designs, processes, and ideas developed, discovered or conceived by Contractor or its employees, including but not limited to those developed, discovered, and/or conceived in connection with the manufacture of the ordered Products. It is expressly acknowledged that no drawings, designs,

specifications, or anything else provided by Contractor to Agency shall be deemed to be “work made for hire” as that term is used in connection with the U.S. Copyright Act. Without limiting the generality of the foregoing, all intellectual property rights (including but not limited to copyright) in and to any and all drawings and designs provided by Contractor in response to an Agency requirement or request are and shall remain owned by Contractor (and/or Contractor’s affiliate or other third party who is Contractor’s licensor, if applicable). Contractor reserves all rights and waives no claims.

13.18 FORCE MAJEURE. Contractor shall not be liable for loss, damage, detention, or delay, nor be deemed to be in default from causes beyond its reasonable control or from fire, regional strike or other concerted action of workmen, , compliance with import or export regulations, insurrection or riot, embargo, In the event of delay due to any such cause, the date of delivery will be postponed by such length of time as may be reasonably necessary to compensate for the delay. Agency shall not be liable for any loss, damage or delay, nor be deemed to be in default from causes beyond its reasonable control or from fire, cyber or other malicious attack against itself or its financial institutions, riot or pandemic. In the event of a delay including but not limited to a delay in payment due to any such cause, the date of delivery or payment will be postponed by such length of time as may be reasonably necessary to compensate for the delay.

The Parties have executed this Agreement as of the date signed by the Agency.

NORTHERN CALIFORNIA POWER AGENCY

ATLAS COPCO COMPRESSORS, LLC

Date_____

Date_____

RANDY S. HOWARD,
General Manager

ALFREDO PICCOLO,
General Manager / VP USA West Region

Attest:

Assistant Secretary of the Commission

Approved as to Form:

Jane E. Luckhardt, General Counsel

EXHIBIT A

SCOPE OF WORK

Atlas Copco Compressors, LLC ("Contractor") shall provide air compressor and motor related maintenance services as requested by the Northern California Power Agency ("Agency") at any facilities owned or operated by Agency, NCPA Members, Southern California Public Power Authority (SCPPA) or SCPPA Members.

Services to include, but not be limited to the following:

- Air compressor maintenance
- Dryer maintenance
- CDA system air audits
- Replacement of CDA equipment
- Motor maintenance

No project under this Agreement shall include Work that would qualify as a Public Works Project under the California Public Contract Code.

EXHIBIT B

COMPENSATION SCHEDULE AND HOURLY FEES

Compensation for all work, including hourly fees and expenses, shall not exceed the amount set forth in Section 2 hereof. The hourly rates and or compensation break down and an estimated amount of expenses is as follows:

Atlas Copco Compressors Northern and Central CA Customer Center Labor Rates

Size 1 Oil flooded units and Size 1 Z units and associated dryers:

Normal business hours: \$175.00 an hour portal to portal

Overtime: \$262.50 an hour portal to portal

Double time / Holidays: \$350.00 an hour portal to portal

Size 2 Oil free units and Size 2 GA units and associated dryers:

Normal business hours: \$200.00 an hour portal to portal

Overtime: \$300.00 an hour portal to portal

Double time / Holidays: \$400.00 an hour portal to portal

Crepelle / ZH

Normal business hours: \$240.00 an hour portal to portal

Overtime: \$360.00 an hour portal to portal

Double time / Holidays: \$480.00 an hour portal to portal

Note:

Mileage is charged @ current IRS rates

Gas Surcharge \$30.00

Regular business hours are 7:30am – 4pm, Monday through Friday

Pricing for services to be performed at NCPA Member or SCPPA locations will be quoted at the time services are requested.

NOTE: As a public agency, NCPA shall not reimburse Contractor for travel, food and related costs in excess of those permitted by the Internal Revenue Service.

EXHIBIT C

CERTIFICATION

Affidavit of Compliance for Contractors

I,

(Name of person signing affidavit)(Title)

do hereby certify that background investigations to ascertain the accuracy of the identity and employment history of all employees of

Atlas Copco Compressors, LLC

(Company name)

for contract work at:

LODI ENERGY CENTER, 12745 N. THORNTON ROAD, LODI, CA 95242

(Project name and location)

have been conducted as required by the California Energy Commission Decision for the above-named project.

(Signature of officer or agent)

Dated this _____ day of _____, 20 _____.

THIS AFFIDAVIT OF COMPLIANCE SHALL BE APPENDED TO THE PROJECT SECURITY PLAN AND SHALL BE RETAINED AT ALL TIMES AT THE PROJECT SITE FOR REVIEW BY THE CALIFORNIA ENERGY COMMISSION COMPLIANCE PROJECT MANAGER.

NOT APPLICABLE

EXHIBIT D

CERTIFICATION

Affidavit of Compliance for Hazardous Materials Transport Vendors

I, _____,

(Name of person signing affidavit)(Title)

do hereby certify that the below-named company has prepared and implemented security plans in conformity with 49 CFR 172, subpart I and has conducted employee background investigations in conformity with 49 CFR 172.802(a), as the same may be amended from time to time,

(Company name)

for hazardous materials delivery to:

LODI ENERGY CENTER, 12745 N. THORNTON ROAD, LODI, CA 95242

(Project name and location)

as required by the California Energy Commission Decision for the above-named project.

(Signature of officer or agent)

Dated this _____ day of _____, 20 ____.

THIS AFFIDAVIT OF COMPLIANCE SHALL BE APPENDED TO THE PROJECT SECURITY PLAN AND SHALL BE RETAINED AT ALL TIMES AT THE PROJECT SITE FOR REVIEW BY THE CALIFORNIA ENERGY COMMISSION COMPLIANCE PROJECT MANAGER.

NOT APPLICABLE

EXHIBIT E

**ATTACHMENT A [from MLA]
AGREEMENT TO BE BOUND**

**MAINTENANCE LABOR AGREEMENT ATTACHMENT
LODI ENERGY CENTER PROJECT**

The undersigned hereby certifies and agrees that:

- 1) It is an Employer as that term is defined in Section 1.4 of the Lodi Energy Center Project Maintenance Labor Agreement ("Agreement" solely for the purposes of this Exhibit E) because it has been, or will be, awarded a contract or subcontract to assign, award or subcontract Covered Work on the Project (as defined in Section 1.2 and 2.1 of the Agreement), or to authorize another party to assign, award or subcontract Covered Work, or to perform Covered Work.
- 2) In consideration of the award of such contract or subcontract, and in further consideration of the promises made in the Agreement and all attachments thereto (a copy of which was received and is hereby acknowledged), it accepts and agrees to be bound by the terms and condition of the Agreement, together with any and all amendments and supplements now existing or which are later made thereto.
- 3) If it performs Covered Work, it will be bound by the legally established trust agreements designated in local master collective bargaining agreements, and hereby authorizes the parties to such local trust agreements to appoint trustees and successor trustee to administer the trust funds, and hereby ratifies and accepts the trustees so appointed as if made by the undersigned.
- 4) It has no commitments or agreements that would preclude its full and complete compliance with the terms and conditions of the Agreement.
- 5) It will secure a duly executed Agreement to be Bound, in form identical to this documents, from any Employer(s) at any tier or tiers with which it contracts to assign, award, or subcontract Covered Work, or to authorize another party to assign, award or subcontract Covered Work, or to perform Covered Work.

DATED: _____ Name of Employer _____

(Authorized Officer & Title)

(Address)



Commission Staff Report – *DRAFT*

COMMISSION MEETING DATE: December 5, 2024

SUBJECT: Kinectrics AES, Inc. – First Amendment to Five-Year Multi-Task Professional Services Agreement for Generator Testing and Assessment Services; Applicable to the following: All Northern California Power Agency (NCPA) Facilities, NCPA Members, Southern California Public Power Authority (SCPPA), and SCPPA Members

AGENDA CATEGORY: Consent

FROM:	Michael DeBortoli	METHOD OF SELECTION:
	Assistant General Manager	N/A
Division:	Generation Services	<i>If other, please describe:</i>
Department:	Geothermal	

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

RECOMMENDATION:

Approve Resolution 24-XX authorizing the General Manager or his designee to enter into a First Amendment to the Multi-Task Professional Services Agreement with Kinectrics AES, Inc. generator testing and assessment services and transmission and distribution field inspection, testing, and training services, with any non-substantial changes recommended and approved by the NCPA General Counsel, amending the Scope of Work and Exhibit B – Compensation Schedule and Hourly Fees and increasing the not to exceed amount from \$1,000,000 to \$2,000,000, with no change to the contract term, for continued use at any facilities owned and/or operated by NCPA, NCPA Members, by SCPPA and SCPPA Members.

BACKGROUND:

Generator testing and assessment services are required from time to time for the operation and maintenance of facilities owned and/or operated by NCPA, NCPA Members, by SCPPA, and SCPPA Members. NCPA entered into a five-year Multi-Task Professional Services Agreement with Kinectrics AES, Inc., effective June 6, 2022, for an amount not to exceed \$1,000,000, for use at any facilities owned and/or operated by NCPA, NCPA Members, SCPPA, and SCPPA Members.

It has come to NCPA's attention that this vendor can provide additional services. NCPA desires to enter into a First Amendment to the current Multi-Task Professional Services Agreement to amend the Scope of Work to include transmission and distribution field inspection, training, and testing services. NCPA also desire to amend Exhibit B – Compensation Schedule and Hourly Fees to reflect hourly rates related to the additional services added to the Scope of Work. Lastly, NCPA desires to increase the not to exceed amount from \$1,000,000 to \$2,000,000 to ensure sufficient funds are available in anticipation of increased use of this contract now that additional services will be offered. This agreement will continue to be available for use at any facilities owned and/or operated by NCPA, NCPA Members, SCPPA, and SCPPA Members.

NCPA has agreements in place for similar services with Andritz Hydro, Sulzer Turbo Services Houston, Inc., Electrical Maintenance Consultants, Inc., Eaton Corporation, and Osmose Utilities Services, Inc. (pending).

FISCAL IMPACT:

Upon execution, the total not to exceed amount of the agreement will increase from \$1,000,000 to \$2,000,000 over the remainder of the contract term. Purchase orders referencing the terms and conditions of the agreement will be issued following NCPA procurement policies and procedures.

SELECTION PROCESS:

This enabling agreement does not commit NCPA to any expenditure of funds. At the time services are needed, NCPA will bid the specific scope of work consistent with NCPA procurement policies and procedures. NCPA seeks bids from qualified providers as required. Bids are awarded to the vendor providing the best overall value to NCPA. NCPA will issue purchase orders based on cost and availability of the services needed at the time the service is required.

ENVIRONMENTAL ANALYSIS:

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 of the California Environmental Quality Act. No environmental review is necessary.

COMMITTEE REVIEW:

Pending Committee review and approval.

AFTER FACILITIES APPROVAL: On November 6, 2024 the Facilities Committee reviewed and endorsed the recommendation above for Commission approval.

AFTER LEC PPC APPROVAL: On November 4, 2024 the Lodi Energy Center Project Participant Committee reviewed and approved the recommendation above for Commission approval.

Respectfully submitted,

RANDY S. HOWARD
General Manager

Attachments (3):

- Resolution 24-XX
- Multi-Task Professional Services Agreement with Kinectrics AES, Inc.
- First Amendment to Multi-Task Professional Services Agreement with Kinectrics AES, Inc.

RESOLUTION 24-XX

**RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY
APPROVING A FIRST AMENDMENT TO THE MULTI-TASK PROFESSIONAL SERVICES
AGREEMENT WITH KINETRICS AES, INC.**

(reference Staff Report #XX:24)

WHEREAS, generator testing and assessment services are required from time to time for operation and maintenance of facilities owned and/or operated by NCPA, NCPA Members, by SCPPA, and SCPPA Members; and

WHEREAS, effective June 6, 2022, NCPA entered into a Multi-Task Professional Services Agreement with Kinectrics AES, Inc. to provide these services for use at any facilities owned and/or operated by NCPA, NCPA Members, by SCPPA, and SCPPA Members; and

WHEREAS, it has come to NCPA's attention that this vendor can provide additional services, including transmission and distribution field inspection, training, and testing services; and

WHEREAS, NCPA now desires to enter into a First Amendment to the current Multi-Task Professional Services Agreement to amend the Scope of Work to include transmission and distribution field inspection, training, and testing services, and amend Exhibit B – Compensation Schedule and Hourly Fees to reflect hourly rates for the additional services. NCPA also desires to increase the not to exceed amount from \$1,000,000 to \$2,000,000 to ensure sufficient funds are available in anticipation of increased use of this contract now that additional services will be offered; 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 of 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 or his designee to enter into said First Amendment to the Multi-Task Professional Services Agreement, with any non-substantial changes as approved by the NCPA General Counsel, amending the Scope of Work and Exhibit B – Compensation Schedule and Hourly Fees and increasing the not to exceed amount from \$1,000,000 to \$2,000,000, with no change to the contract term, for continued use at any facilities owned and/or operated by NCPA, NCPA Members, by SCPPA, and SCPPA Members.

PASSED, ADOPTED and APPROVED this ____ day of _____, 2024 by the following vote on roll call:

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

JENELLE OSBORNE
CHAIR

ATTEST:

CARRIE POLLO
ASSISTANT SECRETARY



MULTI-TASK PROFESSIONAL SERVICES AGREEMENT BETWEEN THE NORTHERN CALIFORNIA POWER AGENCY AND KINETRICS AES INC.

This Professional Services Agreement ("Agreement") is made by and between the Northern California Power Agency, a joint powers agency with its main office located at 651 Commerce Drive, Roseville, CA 95678-6420 ("Agency") and Kinectrics AES Inc., a corporation with its office located at 4117 Clipper Court, Fremont, CA 94538 ("Consultant") (together sometimes referred to as the "Parties") as of June 6, 2022 ("Effective Date") in Roseville, California.

Section 1. SERVICES. Subject to the terms and conditions set forth in this Agreement, Consultant shall provide to Agency the services described in the Scope of Services attached hereto as Exhibit A and incorporated herein ("Services"), at the time and place and in the manner specified therein.

- 1.1 **Term of Agreement.** The term of this Agreement shall begin on the Effective Date and shall end when Consultant completes the Services, or no later than five (5) years from the date this Agreement was signed by Agency, whichever is shorter.
- 1.2 **Standard of Performance.** Consultant shall perform the Services in the manner and according to the standards observed by a competent practitioner of the profession in which Consultant is engaged and for which Consultant is providing the Services. Consultant represents that it is licensed, qualified and experienced to provide the Services set forth herein.

Consultant warrants that the Services, excluding any as may be performed under the direction or supervision of the Agency, performed pursuant to this Agreement will be performed in a professional manner consistent with the standards of quality and care typical within the industry at the time of performance for similar work and will be performed by or under the supervision of a professional engineer pursuant to California Business and Professions Code Section 6700 et. seq. Such warranty will be effective for a period of one (1) year from the date of performance of the Service. Any such Services performed by Consultant which do not conform with Consultant above-stated warranty obligation will be re-performed by Consultant at Consultant' expense; or if re-performance is impracticable or impossible, Consultant will refund to Customer the price paid to Consultant for the non-conforming Services. The warranties and remedies set forth herein are exclusive, and no other warranty or remedy of any kind, whether statutory, written, oral, express, or implied, including without limitation warranties of performance, merchantability and fitness for a particular purpose, shall apply.

- 1.3 **Assignment of Personnel.** Consultant shall assign only competent personnel to perform the Services. In the event that Agency, in its sole discretion, at any time during the term of this Agreement, requests the reassignment of any such personnel, Consultant shall, immediately upon receiving written notice from Agency of such request, reassign such personnel.

- 1.4 **Services Provided.** Services provided under this Agreement by Consultant may include Services directly to the Agency or, as requested by the Agency and consistent with the terms of this Agreement, to Agency members, Southern California Public Power Authority ("SCPPA") or SCPPA members.
- 1.5 **Request for Services.** At such time that Agency determines to use Consultant's Services under this Agreement, Agency shall issue a Purchase Order. The Purchase Order shall identify the specific services to be performed ("Requested Services"), may include a not-to-exceed monetary cap on Requested Services and expenditures authorized by that Purchase Order, and a time by which the Requested Services shall be completed. Consultant shall have seven calendar days from the date of the Agency's issuance of the Purchase Order in which to respond in writing that Consultant chooses not to perform the Requested Services. If Consultant agrees to perform the Requested Services, begins to perform the Requested Services or does not respond within the seven day period specified, then Consultant will have agreed to perform the Requested Services on the terms set forth in the Purchase Order, this Agreement and its Exhibits.

Section 2. **COMPENSATION.** Agency hereby agrees to pay Consultant an amount **NOT TO EXCEED ONE MILLION DOLLARS (\$1,000,000)** for the Services, which shall include all fees, costs, expenses and other reimbursables, as set forth in Consultant's fee schedule, attached hereto and incorporated herein as Exhibit B. This dollar amount is not a guarantee that Agency will pay that full amount to the Consultant, but is merely a limit of potential Agency expenditures under this Agreement.

- 2.1 **Invoices.** Consultant shall submit invoices, not more often than once a month during the term of this Agreement, or in accordance with Consultant's Quotation for work, or as specified in the Purchase Order, based on the cost for services performed and reimbursable costs incurred prior to the invoice date. Invoices shall contain the following information:
- The beginning and ending dates of the billing period;
 - Services performed;
 - The Purchase Order number authorizing the Services;
 - At Agency's option, the total number of hours of work performed under the Agreement by Consultant and each employee, agent, and subcontractor of Consultant performing services hereunder where work is performed on a Time & Materials basis only; and
 - At Agency's option, when the Consultant's Scope of Work identifies tasks, for each work item in each task, a copy of the applicable time entries showing the name of the person doing the work, the hours spent by each person, a brief description of the work, and each reimbursable expense, with supporting documentation, to Agency's reasonable satisfaction for the work performed on Time & Material basis only.

Invoices shall be sent to:

Northern California Power Agency
651 Commerce Drive
Roseville, California 95678
Attn: Accounts Payable
AcctsPayable@ncpa.com

- 2.2 Monthly Payment.** Agency shall make monthly payments, or as otherwise agreed to, based on invoices received, for services satisfactorily performed, and for authorized reimbursable costs incurred. Agency shall have thirty (30) days from the receipt of an invoice that complies with all of the requirements above to pay Consultant.
- 2.3 Payment of Taxes.** Consultant is solely responsible for the payment of all federal, state and local taxes, including employment taxes, incurred under this Agreement.
- 2.4 Authorization to Perform Services.** The Consultant is not authorized to perform any Services or incur any costs whatsoever under the terms of this Agreement until receipt of written authorization from the Contract Administrator.
- 2.5 Timing for Submittal of Final Invoice.** Consultant shall have ninety (90) days after completion of its Services to submit its final invoice. In the event Consultant fails to submit an invoice to Agency for any amounts due within the ninety (90) day period, Consultant is deemed to have waived its right to collect its final payment from Agency.

Section 3. FACILITIES AND EQUIPMENT. Except as set forth herein, Consultant shall, at its sole cost and expense, provide all facilities and equipment that may be necessary to perform the Services.

Section 4. INSURANCE REQUIREMENTS. Before beginning any work under this Agreement, Consultant, at its own cost and expense, shall procure the types and amounts of insurance listed below and shall maintain the types and amounts of insurance listed below for the period covered by this Agreement.

- 4.1 Workers' Compensation.** If Consultant employs any person, Consultant shall maintain Statutory Workers' Compensation Insurance and Employer's Liability Insurance for any and all persons employed directly or indirectly by Consultant with limits of not less than one million dollars (\$1,000,000.00) per accident, or as prescribed under the relevant Workers Compensation plan.

4.2 Commercial General and Automobile Liability Insurance.

4.2.1 Commercial General Insurance. Consultant shall maintain commercial general liability insurance for the term of this Agreement, including products liability, covering any loss or liability, including the cost of defense of any action, for bodily injury, death, personal injury and broad form property damage which may arise out of the operations of Consultant. The policy shall provide a minimum limit of \$2,000,000 per occurrence/\$2,000,000 aggregate. Commercial general coverage shall be at least as broad as ISO Commercial General Liability form CG 0001 (current edition) on "an occurrence" basis covering comprehensive General Liability, with a self-insured retention or deductible of no more than \$100,000. No endorsement shall be attached limiting the coverage.

4.2.2 Automobile Liability. Consultant shall maintain automobile liability insurance form CA 0001 (current edition) for the term of this Agreement covering any loss or liability, including the cost of defense of any action, arising from the operation, maintenance or use of any vehicle (symbol 1), whether or not owned by the Consultant, on or off Agency premises. The policy shall provide a minimum limit of \$2,000,000 per each accident, with a self-insured retention or deductible of no more than \$100,000. This insurance shall provide contractual liability covering all motor vehicles and mobile equipment to the extent coverage may be excluded from general liability insurance.

4.2.3 General Liability/Umbrella Insurance. The coverage amounts set forth above may be met by a combination of underlying and umbrella policies as long as in combination the limits equal or exceed those stated.

4.3 Professional Liability Insurance. Consultant shall maintain professional liability insurance appropriate to Consultant's profession performing work in connection with this Agreement in an amount not less than one million dollars (\$1,000,000) and two million dollars (\$2,000,000) aggregate covering the Consultant's errors and omissions. Any deductible or self-insured retention shall not exceed two hundred fifty thousand dollars (\$250,000) per claim. Such insurance shall be on a "claims-made" basis, subject to the following conditions: (1) the retroactive date of the policy shall be on or before the Effective Date of this Agreement; (2) the policy shall be maintained for at least five (5) years after completion of the Services and, if requested by Agency, evidence of coverage shall be provided during this period; and (3) if, within five (5) years of completion of the Services, coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the Effective Date of this Agreement, Consultant shall purchase "extended reporting" coverage for a minimum of five (5) years after completion of the Services and, if requested by Agency, provide evidence of coverage during this period.

4.4 All Policies Requirements.

4.4.1 Verification of coverage. Prior to beginning any work under this Agreement, Consultant shall provide Agency with (1) a Certificate of Insurance that demonstrates compliance with all applicable insurance provisions contained herein and (2) policy endorsements to the policies referenced in Section 4.2, adding the Agency as an additional insured and declaring such insurance primary in regard to work performed pursuant to this Agreement.

4.4.2 Notice of Reduction in or Cancellation of Coverage. Consultant shall provide at least thirty (30) days prior written notice to Agency of any reduction in scope or amount, cancellation, or modification adverse to Agency of the policies referenced in Section 4.

4.4.3 Higher Limits. If Consultant maintains higher limits than the minimums specified herein, the Agency shall be entitled to coverage for the higher limits maintained by the Consultant.

4.4.4 Additional Certificates and Endorsements. If Consultant provides services to Agency members, SCPPA and/or SCPPA members, Consultant shall provide certificates of insurance and policy endorsements, as referenced in Section 4.4.1, naming the specific Agency member, SCPPA or Agency member for which the Services are to be performed.

4.5 Consultant's Obligation. Consultant shall be solely responsible for ensuring that all equipment, vehicles and other items utilized in the performance of Services are operated, provided or otherwise utilized in a manner that ensues they are and remain covered by the policies referenced in Section 4 during this Agreement. Consultant shall also ensure that all workers involved in the provision of Services are properly classified as employees, agents or independent contractors and are and remain covered by any and all workers' compensation insurance required by applicable law during this Agreement.

Section 5. INDEMNIFICATION AND CONSULTANT'S RESPONSIBILITIES.

5.1 Effect of Insurance. Agency's acceptance of insurance certificates and endorsements required under this Agreement does not relieve Consultant from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply to any damages or claims for damages whether or not such insurance policies shall have been determined to apply. By execution of this Agreement, Consultant acknowledges and agrees to the provisions of this Section and that it is a material element of consideration.

5.2 Scope. Consultant shall indemnify, defend with counsel reasonably acceptable to the Agency, and hold harmless the Agency and its officials, commissioners,

officers, employees, and volunteers from and against any and all claims to the extent that the claims arise out of, pertain to or relate to the negligence, recklessness or willful misconduct of the Consultant in its performance of Services under this Agreement. Consultant shall bear all losses, costs, damages, expense and liability of every kind, nature and description to the extent that they arise out of, pertain to, or relate to such claims, whether directly or indirectly ("Liabilities"). (See Cal. Civ Code Section 2782.8 limiting indemnity for design professionals including professional engineers.) Such obligations to defend, hold harmless and indemnify the Agency shall not apply to the extent that such Liabilities are caused by the negligence, active negligence, or willful misconduct of the Agency.

Notwithstanding the above, Consultant's total aggregate liability for damages arising from any cause or action whatsoever shall be limited to amounts recoverable pursuant to the policy limit amounts detailed in Section 4 above inclusive of any deductibles, as long as Consultant maintains in effect and applicability the insurance, including but not limited to the amounts, deductibles, and scope referenced herein. In no event shall Consultant at any time be liable to the Agency for any indirect, incidental or consequential damages which may be sustained by them, including but not limited to loss of revenue, profit, business reputation or opportunity whether such liability arises out of contract, tort, strict liability, warranty or other legal theory whether at law, in equity or otherwise.

Section 6. STATUS OF CONSULTANT.

- 6.1 Independent Contractor.** Consultant is an independent contractor and not an employee of Agency. Agency shall have the right to control Consultant only insofar as the results of Consultant's Services and assignment of personnel pursuant to Section 1; otherwise, Agency shall not have the right to control the means by which Consultant accomplishes Services rendered pursuant to this Agreement. Notwithstanding any other Agency, state, or federal policy, rule, regulation, law, or ordinance to the contrary, Consultant and any of its employees, agents, and subcontractors providing services under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any and all claims to, any compensation, benefit, or any incident of employment by Agency, including but not limited to eligibility to enroll in the California Public Employees Retirement System (PERS) as an employee of Agency and entitlement to any contribution to be paid by Agency for employer contributions and/or employee contributions for PERS benefits.

Consultant shall indemnify, defend, and hold harmless Agency for the payment of any employee and/or employer contributions for PERS benefits on behalf of Consultant or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of Agency. Consultant and Agency acknowledge and agree that compensation paid by Agency to Consultant under this Agreement is based upon Consultant's estimated costs of providing the Services,

including salaries and benefits of employees, agents and subcontractors of Consultant.

Consultant shall indemnify, defend, and hold harmless Agency from any lawsuit, administrative action, or other claim for penalties, losses, costs, damages, expense and liability of every kind, nature and description that arise out of, pertain to, or relate to such claims, whether directly or indirectly, due to Consultant's failure to secure workers' compensation insurance for its employees, agents, or subcontractors.

Consultant agrees that for any US employees, it is responsible for the provision of group healthcare benefits to its fulltime employees under 26 U.S.C. § 4980H of the Affordable Care Act. To the extent permitted by law, Consultant shall indemnify, defend and hold harmless Agency from any penalty issued to Agency under the Affordable Care Act resulting from the performance of the Services by any employee, agent, or subcontractor of Consultant.

- 6.2 Consultant Not Agent.** Except as Agency may specify in writing, Consultant shall have no authority, express or implied, to act on behalf of Agency in any capacity whatsoever as an agent. Consultant shall have no authority, express or implied, pursuant to this Agreement to bind Agency to any obligation whatsoever.
- 6.3 Assignment and Subcontracting.** This Agreement contemplates personal performance by Consultant and is based upon a determination of Consultant's unique professional competence, experience, and specialized professional knowledge. A substantial inducement to Agency for entering into this Agreement was and is the personal reputation and competence of Consultant. Consultant may not assign this Agreement or any interest therein without the prior written approval of the Agency. Consultant shall not subcontract any portion of the performance contemplated and provided for herein, other than to the subcontractors identified in Exhibit A, without prior written approval of the Agency. Where written approval is granted by the Agency, Consultant shall supervise all work subcontracted by Consultant in performing the services and shall be responsible for all work performed by a subcontractor as if Consultant itself had performed such work. The subcontracting of any work to subcontractors shall not relieve Consultant from any of its obligations under this Agreement with respect to the services and Consultant is obligated to ensure that any and all subcontractors performing any services shall be fully insured in all respects and to the same extent as set forth under Section 4, to Agency's satisfaction.
- 6.4 Certification as to California Energy Commission.** If requested by the Agency, Consultant shall, at the same time it executes this Agreement, execute Exhibit C.

Section 7. LEGAL REQUIREMENTS.

- 7.1 Governing Law.** The laws of the State of California shall govern this Agreement.
- 7.2 Compliance with Applicable Laws.** Consultant and its subcontractors and agents, if any, shall comply with all laws applicable to the performance of the work hereunder.
- 7.3 Licenses and Permits.** Consultant represents and warrants to Agency that Consultant and its employees, agents, and subcontractors (if any) have and will maintain at their sole expense during the term of this Agreement all licenses, permits, qualifications, and approvals of whatever nature that are legally required to practice their respective professions.

Section 8. TERMINATION AND MODIFICATION.

- 8.1 Termination.** Agency may cancel this Agreement at any time and without cause upon ten (10) days prior written notice to Consultant.

In the event of termination, Consultant shall be entitled to compensation for Services satisfactorily completed as of the effective date of termination, including the cost of any preapproved un-cancellable commitments incurred prior to the date of termination; Agency, however, may condition payment of such compensation upon Consultant delivering to Agency any or all records or documents, as referenced in Section 9.1 hereof.

- 8.2 Amendments.** The Parties may amend this Agreement only by a writing signed by all the Parties.
- 8.3 Survival.** All obligations arising prior to the termination of this Agreement and all provisions of this Agreement allocating liability between Agency and Consultant shall survive the termination of this Agreement.
- 8.4 Options upon Breach by Consultant.** If Consultant materially breaches any of the terms of this Agreement, including but not limited to those set forth in Section 4, Agency's remedies shall include, but not be limited to, the following:
- 8.4.1** Immediately terminate the Agreement;
 - 8.4.2** Retain the plans, specifications, drawings, reports, design documents, and any other work product prepared by Consultant pursuant to this Agreement;
 - 8.4.3** Retain a different consultant to complete the Services not finished by Consultant; and/or

- 8.4.4** Charge Consultant the difference between the costs to complete the Services that are unfinished at the time of breach and the amount that Agency would have paid Consultant pursuant hereto if Consultant had completed the Services.

Section 9. KEEPING AND STATUS OF RECORDS.

- 9.1 Records Created as Part of Consultant's Performance.** All reports, data, maps, models, charts, studies, surveys, photographs, memoranda, plans, studies, specifications, records, files, or any other documents or materials, in electronic or any other form, that Consultant prepares or obtains pursuant to this Agreement and that relate to the matters covered hereunder shall be the property of the Agency. Consultant hereby agrees to deliver those documents to the Agency upon termination of the Agreement. Agency and Consultant agree that, unless approved by Agency in writing, Consultant shall not release to any non-parties to this Agreement any data, plans, specifications, reports and other documents.

Notwithstanding any provisions in this Agreement to the contrary, Consultant will own the entire right, title and interest to its own background intellectual property and nothing in this Agreement is intended to diminish that ownership interest and/or transfer, grant or bestow any right, title or interest in the Agency or any other party, including any ownership or license interest therein.

- 9.2 Consultant's Books and Records.** Consultant shall maintain any and all records or other documents evidencing or relating to charges for Services or expenditures and disbursements charged to the Agency under this Agreement for a minimum of three (3) years, or for any longer period required by law, from the date of final payment to the Consultant to this Agreement.
- 9.3 Inspection and Audit of Records.** Any records or documents that this Agreement requires Consultant to maintain shall be made available for inspection, audit, and/or copying at any time during regular business hours, upon oral or written request of the Agency. Under California Government Code Section 8546.7, if the amount of public funds expended under this Agreement exceeds ten thousand dollars (\$10,000.00), the Agreement shall be subject to the examination and audit of the State Auditor, at the request of Agency or as part of any audit of the Agency, for a period of three (3) years after final payment under the Agreement. Notwithstanding the above, Agency shall not audit the cost or pricing components of any fixed price work as long as doing so does not violate state law.
- 9.4 Confidential Information and Disclosure.**
- 9.4.1 Confidential Information.** The term "Confidential Information", as used herein, shall mean any and all confidential, proprietary, or trade secret information, whether written, recorded, electronic, oral or otherwise,

where the Confidential Information is made available in a tangible medium of expression and marked in a prominent location as confidential, proprietary and/or trade secret information. Confidential Information shall not include information that: (a) was already known to the Receiving Party or is otherwise a matter of public knowledge, (b) was disclosed to Receiving Party by a third party without violating any confidentiality agreement, (c) was independently developed by Receiving Party without reverse engineering, as evidenced by written records thereof, or (d) was not marked as confidential Information in accordance with this section.

9.4.2 Non-Disclosure of Confidential Information. During the term of this Agreement, either party may disclose ("The Disclosing Party") confidential Information to the other party ("the Receiving Party"). The Receiving Party: (a) shall hold the Disclosing Party's Confidential Information in confident; and (b) shall take all reasonable steps to prevent any unauthorized possession, use, copying, transfer or disclosure of such Confidential Information.

9.4.3 Permitted Disclosure. Notwithstanding the foregoing, the following disclosures of Confidential Information are allowed. Receiving Party shall endeavor to provide prior written notice to Disclosing Party of any permitted disclosure made pursuant to Section 9.4.3.2 or 9.4.3.3. Disclosing Party may seek a protective order, including without limitation, a temporary restraining order to prevent or contest such permitted disclosure; provided, however, that Disclosing Party shall seek such remedies at its sole expense. Neither party shall have any liability for such permitted disclosures:

9.4.3.1 Disclosure to employees, agents, consultants, contractors, subcontractors or other representatives of Receiving Party that have a need to know in connection with this Agreement.

9.4.3.2 Disclosure in response to a valid order of a court, government or regulatory agency or as may otherwise be required by law; and

9.4.3.3 Disclosure by Agency in response to a request pursuant to the California Public Records Act.

9.4.4 Handling of Confidential Information. Upon conclusion or termination of the Agreement, Receiving Party shall return to Disclosing Party or destroy Confidential Information (including all copies thereof), if requested by Disclosing Party in writing. Notwithstanding the foregoing, the Receiving Party may retain copies of such Confidential Information, subject to the confidentiality provisions of this Agreement: (a) for archival purposes in its computer system; (b) in its legal department files; and (c) in files of Receiving Party's representatives where such copies are necessary to comply with applicable law. Party shall not disclose the

Disclosing Party's Information to any person other than those of the Receiving Party's employees, agents, consultants, contractors and subcontractors who have a need to know in connection with this Agreement.

Section 10. MISCELLANEOUS PROVISIONS.

- 10.1 Attorneys' Fees.** If a party to this Agreement brings any action, including an action for declaratory relief, to enforce or interpret the provision of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees in addition to any other relief to which that party may be entitled. The court may set such fees in the same action or in a separate action brought for that purpose.
- 10.2 Venue.** In the event that either party brings any action against the other under this Agreement, the Parties agree that trial of such action shall be vested exclusively in the state courts of California in the County of Placer or in the United States District Court for the Eastern District of California.
- 10.3 Severability.** If a court of competent jurisdiction finds or rules that any provision of this Agreement is invalid, void, or unenforceable, the provisions of this Agreement not so adjudged shall remain in full force and effect. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.
- 10.4 No Implied Waiver of Breach.** The waiver of any breach of a specific provision of this Agreement does not constitute a waiver of any other breach of that term or any other term of this Agreement.
- 10.5 Successors and Assigns.** The provisions of this Agreement shall inure to the benefit of and shall apply to and bind the successors and assigns of the Parties.
- 10.6 Conflict of Interest.** Consultant may serve other clients, but none whose activities within the corporate limits of Agency or whose business, regardless of location, would place Consultant in a "conflict of interest," as that term is defined in the Political Reform Act, codified at California Government Code Section 81000 *et seq.*

Consultant shall not employ any Agency official in the work performed pursuant to this Agreement. No officer or employee of Agency shall have any financial interest in this Agreement that would violate California Government Code Sections 1090 *et seq.*

- 10.7 Contract Administrator.** This Agreement shall be administered by the Assistant General Manager, Generation Services, or his/her designee, who shall act as the Agency's representative. All correspondence shall be directed to or through the representative.

10.8 Notices. Any written notice to Consultant shall be sent to:

Kinectrics, Inc.
Attn: Jeff Lewis
800 Kipling Avenue, Unit 2
Toronto, Ontario M8Z 5G5
Canada

Any written notice to Agency shall be sent to:

Randy S. Howard
General Manager
Northern California Power Agency
651 Commerce Drive
Roseville, CA 95678

With a copy to:

Jane E. Luckhardt
General Counsel
Northern California Power Agency
651 Commerce Drive
Roseville, CA 95678

10.9 Professional Seal. Where applicable in the determination of the Agency, for Engineering work the first page of a technical report, first page of design specifications, and each page of construction drawings shall be stamped/sealed and signed by the licensed professional responsible for the report/design preparation.

10.10 Integration; Incorporation. This Agreement, including all the exhibits attached hereto, represents the entire and integrated agreement between Agency and Consultant and supersedes all prior negotiations, representations, or agreements, either written or oral. All exhibits attached hereto are incorporated by reference herein.

10.11 Alternative Dispute Resolution. If any dispute arises between the Parties that cannot be settled after engaging in good faith negotiations, Agency and Consultant agree to resolve the dispute in accordance with the following:

10.11.1 Each party shall designate a senior management or executive level representative to negotiate any dispute;

10.11.2 The representatives shall attempt, through good faith negotiations, to resolve the dispute by any means within their authority.

10.11.3 If the issue remains unresolved after fifteen (15) days of good faith negotiations, the Parties shall attempt to resolve the disagreement

by negotiation between legal counsel. If the above process fails, the Parties shall resolve any remaining disputes through mediation to expedite the resolution of the dispute.

10.11.4 The mediation process shall provide for the selection within fifteen (15) days by both Parties of a disinterested third person as mediator, shall be commenced within thirty (30) days and shall be concluded within fifteen (15) days from the commencement of the mediation.

10.11.5 The Parties shall equally bear the costs of any third party in any alternative dispute resolution process.

10.11.6 The alternative dispute resolution process is a material condition to this Agreement and must be exhausted as an administrative prior to either Party initiating legal action. This alternative dispute resolution process is not intended to nor shall be construed to change the time periods for filing a claim or action specified by Government Code §§ 900 *et seq.*

10.12 Controlling Provisions. In the case of any conflict between the terms of this Agreement and the Exhibits hereto, a Purchase Order, or Consultant's Proposal (if any), the Agreement shall control. In the case of any conflict between the Exhibits hereto and a Purchase Order or the Consultant's Proposal, the Exhibits shall control. In the case of any conflict between the terms of a Purchase Order and the Consultant's Proposal, the Purchase Order shall control.

10.13 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one agreement.

10.14 Construction of Agreement. Each party hereto has had an equivalent opportunity to participate in the drafting of the Agreement and/or to consult with legal counsel. Therefore, the usual construction of an agreement against the drafting party shall not apply hereto.

10.15 No Third Party Beneficiaries. This Agreement is made solely for the benefit of the parties hereto, with no intent to benefit any non-signator third parties. However, should Consultant provide services to an Agency member, SCPPA or SCPPA member (collectively for the purpose of this Section only "Member") pursuant to Section 1.4, the parties recognize that such Member may be a third party beneficiary solely as to the Purchase Order and Requested Services relating to such Member.

SIGNATURES ON FOLLOWING PAGE

The Parties have executed this Agreement as of the date signed by the Agency.

NORTHERN CALIFORNIA POWER AGENCY

KINETRICS AES INC.

Date 6/6/22

Date 2022/05/17


RANDY S. HOWARD, General Manager


**SHAHROKH ZANGENEH,
Chief Commercial Officer**

Attest:


Assistant Secretary of the Commission

Approved as to Form:



Jane E. Luckhardt, General Counsel

EXHIBIT A

SCOPE OF SERVICES

Kinectrics AES Inc. ("Consultant") shall provide the following services as requested by the Northern California Power Agency ("Agency") at any facilities owned or operated by NCPA, NCPA Members, SCPPA, and SCPPA Members, including:

I. **Standard Generator Testing and Assessment;**

Perform limited visual inspection and off-line diagnostic testing of one generator stator winding, includes the following:

II. **Stator Winding Insulation Resistance and Polarization Index:**

Both single phase (A, B, C) and three phase testing (ABC) are required for assessment of the condition of the insulation system at 5 kV.

Testing is a requirement to ensure a minimum insulation condition prior to proceeding with diagnostic testing in accordance with the requirements of IEEE 43. Table 4 of this standard indicates the minimum recommended insulation resistance, in MΩ at 40°C, of the entire machine winding (ABC) of 100 MΩ as a prerequisite for further testing.

III. **Stator Winding Capacitance and Dissipation Factor (tan δ) Test:**

Typically single phase testing (A, B, C) is required for assessment of the condition of the insulation system.

Note: An advance Capacitance & Dissipation Factor measurements between phase to phase can also be performed to obtain additional information of the insulation condition. However, in order to perform this test, a higher capacity power supply may be required to energize the winding with additional cost.

Tan δ testing evaluates various factors that influence the performance of the overall electrical insulation. Bridge techniques will be employed to properly measure and assess the extent of pulseless and pseudo glow discharge activity. Testing is performed in accordance with the requirements of IEEE 286 on each phase at up to rated line to neutral voltage.

IV. **Stator Winding Off-Line Partial Discharge Testing:**

Measurement of the partial discharge quantities Q_{IEC} and Q_M , as well as PDEV and PDIV are required, in the single phase (A, B, C) configuration with coupling capacitors installed at both the line end and neutral end of the winding for simultaneous measurements.

Note: An advance PD measurements for additional cost can also be performed by connecting all three phases together so as to distinguish between the slot and end winding discharges; however in this case a higher capacity power supply is normally required due to high capacitance of the complete machine.

Two different methods of measuring PD will be performed with instrumentation using different frequency ranges and sensitivities to different types of PD activity. Measurements of Q_{IEC} will be performed first, followed by measurements of Q_M .

Off-line partial discharge testing evaluates various factors that influence the performance of electrical insulation associated with electrical discharges near the Line End of the stator winding. Testing is normally performed in accordance with the requirements of IEEE 1434 and/or IEC 60034-27-1.

V. **Stator Winding Electromagnetic (Corona or TVA) Test**

Single phase (A, B, C) testing is required. During testing of each phase, all slots containing a stator coil in either the top or bottom of the slot are scanned. The slots are divided into at least two sections, to allow differentiation of PD originating from each end of the core.

It is recommended that an AC overvoltage voltage test in accordance with IEEE 62.2 7.1.5 of at least 1.10 to 1.25 times the rated line-to-neutral voltage of the machine is performed prior to performing a TVA probe test (for safety). This overvoltage test provides some assurance of the integrity of the winding being tested.

VI. **Stator Winding Ultrasonic Inspection and/or Corona Camera/Corona Scope Inspection of Winding Connection End**

Testing is used to identify locations of PD within the end arm region of a stator winding. A scan of the end arm region of the connection end of the stator is performed using the ultrasonic detector to identify locations of partial discharge. An audio scans can localize areas of partial discharge which are not within line of sight

A corona scope and/or daylight corona camera, can be used to perform limited localization of PD in end winding region and requires direct line of sight.

VII. **Stator Winding Resistance**

Winding resistance testing can detect the presence of any high resistance joints, corrosion, or fractures of the conductors. The DC winding resistance of each phase (A1, A2, B1, B2, C1, C2) is measured using a Kelvin bridge in accordance with the requirements of IEEE 62.2.

VIII. **Stator AC Overvoltage Withstand Test**

AC testing results in the highest stress levels on the insulation system within the slot section of the stator core. Acceptance test levels for new machines are $2E+1$, while typical maintenance levels are 1.25 to $1.50E$ (E = Rated line to line voltage). Withstand testing provides some assurance that the winding insulation has a minimum level of electrical strength required to successfully operate for the expected design life or certain period of time. Testing is performed on each phase in accordance with the requirements of IEEE 62.2 on each phase for one minute, with the remaining phases grounded. Partial discharge measurements are performed at the withstand voltage level during the test.

IX. **Stator Winding DC Ramped Overvoltage Test**

DC testing results in the highest stress levels on the insulation system in the end arm region. Typical maintenance levels are 1.25 to $1.50E$ (E = Rated line to line voltage, $AC \times 1.7 = DC$). Ramp testing provides some assurance that the winding insulation has a minimum level of electrical strength required for continued operation. Testing is performed in accordance with the requirements of IEEE 95 on each phase using a 2 KV/min ramping rate, with the remaining phases grounded.

X. **Stator Winding Limited Stator Winding Inspection**

Visual Inspection of the stator winding assembly in accordance with the requirements of IEEE 62.2

XI. **Additional Generator Tests;**

1. **Stator Slot Wedge Tightness**

The stator Slot Wedge Tightness of the machine will be checked, and areas of concern would be noted. Testing is performed in accordance with the requirements of IEEE 62.2

2. **Stator Core Low Energy (EICID) Test**

The condition of the interlaminar resistance between stator punchings of the machine core is evaluated. Testing is performed in accordance with the requirements of IEEE 62.2 using a digital EICID test set and findings are recorded.

3. **Isolated Phase Bus Test**

Perform an AC Hipot of 27 kV for 1 minute (15 kV Class Iso-Phase Bus), followed by measurement of Partial discharge activity at 10.5 kV . Testing is amenable to detecting cracked insulators, moisture, loose connections and mounting hardware, and foreign materials.

II. Failure Analysis and Other Miscellaneous Technical Assistance

Perform document review for NCPA on an as requested basis.

III. Qualification Testing of 13.8kV stator bars and coils in accordance with IEEE 1310, IEEE 1043 and IEEE 1553.

The following qualification testing consisting of Thermal Cycling Test (TCT) in accordance with IEEE 1310 followed by Voltage Endurance Test (VET) in accordance with IEEE 1043 and 1553 is performed on newly manufactured stator bars and coils.:

Note: In case of bars normally five bars are required to perform the qualification test and in case of coils normally three coils are required.

THERMAL CYCLING TEST:

The thermal cycling work to be performed on stator bars/coils consists of:

1. Uncrating and performance of an incoming inspection of the stator bars/coils to ensure that no transit damage has occurred.
2. Perform an initial diagnostic sub-cycle on each stator bar/coil consisting of
 - A) Tap tests on the coils.
 - B) Slot corona protection surface resistance measurement.
 - C) Capacitance, dissipation factor at 0.2, 0.4, 0.6, 0.8, 1.0 Un of rated line to line voltage.
 - D) Partial discharge measurements up to 8 kV or 13.8kV ac rms.
 - E) Dimensional measurements in accordance with IEEE 1310
 - F) Surge testing (coils only): The initial surge testing of the turn insulation will be performed at 40 kV (3.5 p.u.), 100ns as per IEEE 522. The final surge testing will be performed on completion of 500 cycles on thermal cycling. The final turn insulation will be performed at 75% i.e. 30kV on each coil.
3. Performance of thermal cycling test on stator bars/coils as per the requirements of IEEE 1310-1996. Control bar/coil will be used to provide copper temperature measurements and hence to control the thermal cycling process. The thermal cycle profile will be 40°C-155°C-40°C with an average rate of increase/decrease as permitted by IEEE 1310-1996. The number of thermal cycles shall be 500.
4. Perform a diagnostic sub-cycle after 100, 250 and 500 thermal cycles on each bar/coil that has been subjected to thermal cycling. The measurements to be performed as per clause 2 above.

VOLTAGE ENDURANCE TEST:

The voltage endurance test will be performed on bars/coils on successful completion of Thermal Cycling and surge testing in case of coils in accordance to IEEE 1043 and 1553.

The test conditions shall be as follows:

- Bars/coils at 30kV (Schedule 'A') for 400 hours or (Schedule 'B') for 250 hours as per IEEE 1553. Temperature between 90 °C and 130°C (TBD).

Pass/Fail Criteria:

Surge Test (Coils Only):

This is a pass or fail test with no failures permitted.

The waveform from this test is to be compare with the original test to ensure no shorts have developed between turns. A waveshape resulting from any applied surge voltage on any coil that does not match the waveshape on the master coil is considered a fail.

If a failure occurs, the entire lot of bars/coils will be rejected.

The additional expense for dissection and failure analysis will be mutually discussed and agreed upon between Kinectrics and Agency.

Thermal Cycling Test:

During the thermal cycling process, the diagnostic testing of the bars/coils at the 100, 250 and 500 cycle mark will assist in determining how any one bar/coil is performing as the test is progressing and how any one bar/coil performed when the test is completed. Based on experience with these diagnostic tests, it will determine if the testing of any said bar/coil should continue through to the voltage endurance test or not. Utility and Vendor shall discuss, in detail, precisely what constitutes a failed thermal cycled bar/coil before testing begins.

Voltage Endurance Testing:

The bars/coils shall be subject to the acceptance criteria as outline in IEEE 1553, Section 5.

Note 1: Failure of the insulation system anywhere on the bar/coil, including the semi-con / grading interface is not permitted, this will be considered a fail.

Note 2: The area of the bar/coil that encompasses the semiconducting to grading tape interface shall not show any signs of physical erosion of the grading or semiconducting tape of any kind such as but not limited to, cracking, abrading, flaking, burn through, etc. The interface area shall be defined as the area where the grading tape overlaps the semi-conducting tape, plus up to 3.0 linear inches towards the end winding as followed along the grading tape surface.

Physical erosion of this interface area shall be considered a failure for this bar/coil. Discoloration of this interface area is permitted. There are no exceptions to this qualifying point.

Dissections: Upon completion of the thermal cycling and post-TC testing, a minimum of one bar/coil per lab test shall be dissected and microscopically examined to determine the failure mechanism or to confirm the winding quality. Any delamination within the ground-wall insulation or de-bonding between the conductor strands and the ground-wall insulation and/or turn insulation as well as discoloration in the insulation structure shall result in rejection of the bars/coils.

- a. Delamination is defined as the separation of the ground-wall tape layers due to loss of bonding strength and/or impregnating compound.
- b. De-bonding is defined as the lack of adhesion between the layers in an insulation system due to improperly cured resins or lack of resin or a fracturing of the crystalline resin in the insulation matrix.
- c. Discoloration is defined as a change in the colour of the insulation structure from the normal translucent brown colour (securely bonded regions) to an opaque white colour (poorly bonded or delaminated regions).

EXHIBIT B

COMPENSATION SCHEDULE AND HOURLY FEES

Compensation for all tasks, including hourly fees and expenses, shall not exceed \$1,000,000 subject to Section 2 of the Agreement. The hourly rates and or compensation break down and an estimated amount of expenses is as follows:

- I. Standard Generator Testing and Assessment: \$42,000
- II. Advance Generator Testing and Assessment: TBD
- III. Additional Generator Tests
 - 1. Wedge Test: \$10,500
 - 2. ELCID Test: \$12,500
 - 3. Iso-Phase Bus Test: \$5,000
 - Additional Day (Mon-Fri): \$ 6,500
 - Additional Day (Sat-Sun): \$ 8,600
- IV. Technical Assistance and Document Review:
 - 1. Hourly Rate: \$215/Hour
 - 2. Expenses: Expenses + 15% Handling Fee
- V. Qualification Testing of 13.8kV stator bars/coils: \$ 60,000 (Does not include any failure analysis and/or repeat testing in case of any failure of the samples)

NOTES:

Pricing is valid to December 31, 2027 and is subject to a 3%/year escalation for following years. All prices listed are before applicable taxes.

Pricing for services to be performed at NCPA Member or SCPPA locations will be quoted at the time services are requested.

Consultant may revise the hourly rates each year upon the giving of 30 days' advance written notice to NCPA. If the parties cannot agree to revised hourly rates, NCPA may terminate the Agreement.

NOTE: As a public agency, NCPA shall not reimburse Consultant for travel, food and related costs in excess of those permitted by the Internal Revenue Service.

EXHIBIT C
CERTIFICATION

Affidavit of Compliance for Contractors

I, Shahrokh Zangeneh, Chief Commercial Officer

(Name of person signing affidavit)(Title)

do hereby certify that background investigations to ascertain the accuracy of the identity and employment history of all employees of

Kinectrics AES Inc.

(Company name)

for contract work at:

LODI ENERGY CENTER, 12745 N. THORNTON ROAD, LODI, CA 95242

(Project name and location)

have been conducted as required by the California Energy Commission Decision for the above-named project.



(Signature of officer or agent)

Dated this 17th day of May, 20 22.

THIS AFFIDAVIT OF COMPLIANCE SHALL BE APPENDED TO THE PROJECT SECURITY PLAN AND SHALL BE RETAINED AT ALL TIMES AT THE PROJECT SITE FOR REVIEW BY THE CALIFORNIA ENERGY COMMISSION COMPLIANCE PROJECT MANAGER.



FIRST AMENDMENT TO MULTI-TASK PROFESSIONAL SERVICES AGREEMENT BETWEEN THE NORTHERN CALIFORNIA POWER AGENCY AND KINETRICS AES, INC.

This First Amendment (“Amendment”) to the Multi-Task Professional Services Agreement is entered into by and between the Northern California Power Agency (“Agency”) and Kinectrics AES, Inc. (“Consultant”) (collectively referred to as “the Parties”) as of _____, 2024.

WHEREAS, the Parties entered into a Multi-Task Professional Services Agreement dated effective June 6, 2022, (the “Agreement”) for Consultant to provide generator testing and assessment services, as requested by the Agency, at any facilities owned and/or operated by the Agency, or to Agency members, Southern California Public Power Authority (SCPPA) or SCPPA members; and

WHEREAS, the Agency now desires to amend the Agreement to increase the total compensation authorized by the Agreement from a “NOT TO EXCEED” amount of \$1,000,000 to a “NOT TO EXCEED” amount of \$2,000,000; and

WHEREAS, the Parties now desire to amend the Scope of Services set forth in Exhibit A to the Agreement; and

WHEREAS, the Parties now desire to amend the Compensation Schedule and Hourly Fees set forth in Exhibit B to the Agreement; and

WHEREAS, the Parties have agreed to modify the Agreement as set forth above; and

WHEREAS, in accordance with Section 8.2 all changes to the Agreement must be in writing and signed by all the Parties; and

NOW, THEREFORE, the Parties agree as follows:

1. **Section 2—COMPENSATION** of the Agreement is amended and restated to read as follows:

Agency hereby agrees to pay Consultant an amount **NOT TO EXCEED TWO MILLION DOLLARS (\$2,000,000)** for the Services, which shall include all fees, costs, expenses and other reimbursables, as set forth in Consultant’s fee schedule, attached hereto and incorporated herein as Exhibit B. This dollar amount is not a guarantee that Agency will pay that full amount to the Consultant, but is merely a limit of potential Agency expenditures under this Agreement.

The remainder of Section 2 of the Agreement is unchanged.

2. **Exhibit A – SCOPE OF SERVICES** is amended and restated to read in full as set forth in the attached Exhibit A.
3. **Exhibit B – COMPENSATION SCHEDULE** is amended and restated to read in full as set forth in the Attached Exhibit B.

4. This Amendment in no way alters the terms and conditions of the Agreement except as specifically set forth herein.

Date: _____

Date: _____

NORTHERN CALIFORNIA POWER AGENCY

KINECTRICS AES, INC.

RANDY S. HOWARD, General Manager

SHAHROKH ZANGENEH, Chief Commercial Officer

Attest:

Assistant Secretary of the Commission

Approved as to Form:

Jane E. Luckhardt, General Counsel

EXHIBIT A

SCOPE OF SERVICES

Kinectrics AES Inc. ("Consultant") shall provide the following services as requested by the Northern California Power Agency ("Agency") at any facilities owned or operated by NCPA, NCPA Members, SCPPA, and SCPPA Members, including:

- Generator testing and assessment services
- Transmission and distribution field inspection services and testing
- Training
- Other professional services as requested

The generator testing and assessment services are more specifically described as follows:

I. Standard Generator Testing and Assessment;

Perform limited visual inspection and off-line diagnostic testing of one generator stator winding, includes the following:

II. Stator Winding Insulation Resistance and Polarization Index:

Both single phase (A, B, C) and three phase testing (ABC) are required for assessment of the condition of the insulation system at 5 kV.

Testing is a requirement to ensure a minimum insulation condition prior to proceeding with diagnostic testing in accordance with the requirements of IEEE 43. Table 4 of this standard indicates the minimum recommended insulation resistance, in MΩ at 40°C, of the entire machine winding (ABC) of 100 MΩ as a prerequisite for further testing.

III. Stator Winding Capacitance and Dissipation Factor (tan δ) Test:

Typically single-phase testing (A, B, C) is required for assessment of the condition of the insulation system.

Note: An advance Capacitance & Dissipation Factor measurements between phase to phase can also be performed to obtain additional information of the insulation condition. However, in order to perform this test, a higher capacity power supply may be required to energize the winding with additional cost.

Tan δ testing evaluates various factors that influence the performance of the overall electrical insulation. Bridge techniques will be employed to properly measure and assess the extent of pulseless and pseudo glow discharge activity. Testing is performed in accordance with the requirements of IEEE 286 on each phase at up to rated line to neutral voltage.

IV. Stator Winding Off-Line Partial Discharge Testing:

Measurement of the partial discharge quantities Q_{IEC} and Q_M , as well as PDEV and PDIV are required, in the single phase (A, B, C) configuration with coupling capacitors installed at both the line end and neutral end of the winding for simultaneous measurements.

Note: An advance PD measurements for additional cost can also be performed by connecting all three phases together so as to distinguish between the slot and end winding discharges; however in this case a higher capacity power supply is normally required due to high capacitance of the complete machine.

Two different methods of measuring PD will be performed with instrumentation using different frequency ranges and sensitivities to different types of PD activity. Measurements of Q_{IEC} will be performed first, followed by measurements of Q_M .

Off-line partial discharge testing evaluates various factors that influence the performance of electrical insulation associated with electrical discharges near the Line End of the stator winding. Testing is normally performed in accordance with the requirements of IEEE 1434 and/or IEC 60034-27-1.

V. **Stator Winding Electromagnetic (Corona or TVA) Test**

Single phase (A, B, C) testing is required. During testing of each phase, all slots containing a stator coil in either the top or bottom of the slot are scanned. The slots are divided into at least two sections, to allow differentiation of PD originating from each end of the core.

It is recommended that an AC overvoltage voltage test in accordance with IEEE 62.2 7.1.5 of at least 1.10 to 1.25 times the rated line-to-neutral voltage of the machine is performed prior to performing a TVA probe test (for safety). This overvoltage test provides some assurance of the integrity of the winding being tested.

VI. **Stator Winding Ultrasonic Inspection and/or Corona Camera/Corona Scope Inspection of Winding Connection End**

Testing is used to identify locations of PD within the end arm region of a stator winding. A scan of the end arm region of the connection end of the stator is performed using the ultrasonic detector to identify locations of partial discharge. An audio scans can localize areas of partial discharge which are not within line of sight

A corona scope and/or daylight corona camera, can be used to perform limited localization of PD in end winding region and requires direct line of sight.

VII. **Stator Winding Resistance**

Winding resistance testing can detect the presence of any high resistance joints, corrosion, or fractures of the conductors. The DC winding resistance of each phase (A1, A2, B1, B2, C1, C2) is measured using a Kelvin bridge in accordance with the requirements of IEEE 62.2.

VIII. **Stator AC Overvoltage Withstand Test**

AC testing results in the highest stress levels on the insulation system within the slot section of the stator core. Acceptance test levels for new machines are $2E+1$, while typical maintenance levels are 1.25 to 1.50E (E = Rated line to line voltage). Withstand testing provides some assurance that the winding insulation has a minimum level of electrical strength required to successfully operate for the expected design life or certain period of time. Testing is performed on each phase in accordance with the requirements of IEEE

62.2 on each phase for one minute, with the remaining phases grounded. Partial discharge measurements are performed at the withstand voltage level during the test.

IX. Stator Winding DC Ramped Overvoltage Test

DC testing results in the highest stress levels on the insulation system in the end arm region. Typical maintenance levels are 1.25 to 1.50E (E = Rated line to line voltage, AC X 1.7 = DC). Ramp testing provides some assurance that the winding insulation has a minimum level of electrical strength required for continued operation. Testing is performed in accordance with the requirements of IEEE 95 on each phase using a 2 KV/min ramping rate, with the remaining phases grounded.

X. Stator Winding Limited Stator Winding Inspection

Visual Inspection of the stator winding assembly in accordance with the requirements of IEEE 62.2

XI. Additional Generator Tests;

1. Stator Slot Wedge Tightness

The stator Slot Wedge Tightness of the machine will be checked, and areas of concern would be noted. Testing is performed in accordance with the requirements of IEEE 62.2

2. Stator Core Low Energy (EICID) Test

The condition of the interlaminar resistance between stator punchings of the machine core is evaluated. Testing is performed in accordance with the requirements of IEEE 62.2 using a digital EICID test set and findings are recorded.

3. Isolated Phase Bus Test

Perform an AC Hipot of 27 kV for 1 minute (15 kV Class Iso-Phase Bus), followed by measurement of Partial discharge activity at 10.5 kV. Testing is amenable to detecting cracked insulators, moisture, loose connections and mounting hardware, and foreign materials.

XII. Failure Analysis and Other Miscellaneous Technical Assistance

Perform document review for NCPA on an as requested basis.

XIII. Qualification Testing of 13.8kV stator bars and coils in accordance with IEEE 1310, IEEE 1043 and IEEE 1553.

The following qualification testing consisting of Thermal Cycling Test (TCT) in accordance with IEEE 1310 followed by Voltage Endurance Test (VET) in accordance with IEEE 1043 and 1553 is performed on newly manufactured stator bars and coils.:

Note: In case of bars normally five bars are required to perform the qualification test and in case of coils normally three coils are required.

THERMAL CYCLING TEST:

The thermal cycling work to be performed on stator bars/coils consists of:

1. Uncrating and performance of an incoming inspection of the stator bars/coils to ensure that no transit damage has occurred.
2. Perform an initial diagnostic sub-cycle on each stator bar/coil consisting of
 - A) Tap tests on the coils.
 - B) Slot corona protection surface resistance measurement.
 - C) Capacitance, dissipation factor at 0.2, 0.4, 0.6, 0.8, 1.0 Un of rated line to line voltage.
 - D) Partial discharge measurements up to 8 kV or 13.8kV ac rms.
 - E) Dimensional measurements in accordance with IEEE 1310
 - F) Surge testing (coils only): The initial surge testing of the turn insulation will be performed at 40 kV (3.5 p.u.), 100ns as per IEEE 522. The final surge testing will be performed on completion of 500 cycles on thermal cycling. The final turn insulation will be performed at 75% i.e. 30kV on each coil.
3. Performance of thermal cycling test on stator bars/coils as per the requirements of IEEE 1310-1996. Control bar/coil will be used to provide copper temperature measurements and hence to control the thermal cycling process. The thermal cycle profile will be 40°C-155°C-40°C with an average rate of increase/decrease as permitted by IEEE 1310-1996. The number of thermal cycles shall be 500.
4. Perform a diagnostic sub-cycle after 100, 250 and 500 thermal cycles on each bar/coil that has been subjected to thermal cycling. The measurements to be performed as per clause 2 above.

VOLTAGE ENDURANCE TEST:

The voltage endurance test will be performed on bars/coils on successful completion of Thermal Cycling and surge testing in case of coils in accordance to IEEE 1043 and 1553.

The test conditions shall be as follows:

- Bars/coils at 30kV (Schedule 'A') for 400 hours or (Schedule 'B') for 250 hours as per IEEE 1553. Temperature between 90 °C and 130°C (TBD).

Pass/Fail Criteria:

Surge Test (Coils Only):

This is a pass or fail test with no failures permitted.

The waveform from this test is to be compare with the original test to ensure no shorts have developed between turns. A waveshape resulting from any applied surge voltage on any coil that does not match the waveshape on the master coil is considered a fail.

If a failure occurs, the entire lot of bars/coils will be rejected.

The additional expense for dissection and failure analysis will be mutually discussed and agreed upon between Kinectrics and Agency.

Thermal Cycling Test:

During the thermal cycling process, the diagnostic testing of the bars/coils at the 100, 250 and 500 cycle mark will assist in determining how anyone bar/coil is performing as the test is progressing and how anyone bar/coil performed when the test is completed. Based on experience with these diagnostic tests, it will determine if the testing of any said bar/coil should continue through to the voltage endurance test or not. Utility and Vendor shall discuss, in detail, precisely what constitutes a failed thermal cycled bar/coil before testing begins.

Voltage Endurance Testing:

The bars/coils shall be subject to the acceptance criteria as outline in IEEE 1553, Section 5.

Note 1: Failure of the insulation system anywhere on the bar/coil, including the semi-con / grading interface is not permitted, this will be considered a fail.

Note 2: The area of the bar/coil that encompasses the semiconducting to grading tape interface shall not show any signs of physical erosion of the grading or semiconducting tape of any kind such as but not limited to, cracking, abrading, flaking, burn through, etc. The interface area shall be defined as the area where the grading tape overlaps the semi-conducting tape, plus up to 3.0 linear inches towards the end winding as followed along the grading tape surface.

Physical erosion of this interface area shall be considered a failure for this bar/coil. Discoloration of this interface area is permitted. There are no exceptions to this qualifying point.

Dissections: Upon completion of the thermal cycling and post-TC testing, a minimum of one bar/coil per lab test shall be dissected and microscopically examined to determine the failure mechanism or to confirm the winding quality. Any delamination within the ground-wall insulation or de-bonding between the conductor strands and the ground-wall insulation and/or turn insulation as well as discoloration in the insulation structure shall result in rejection of the bars/coils.

- a. Delamination is defined as the separation of the ground-wall tape layers due to loss of bonding strength and/or impregnating compound.
- b. De-bonding is defined as the lack of adhesion between the layers in an insulation system due to improperly cured resins or lack of resin or a fracturing of the crystalline resin in the insulation matrix.
- c. Discoloration is defined as a change in the colour of the insulation structure from the normal translucent brown colour (securely bonded regions) to an opaque white colour (poorly bonded or delaminated regions).

The Transmission and distribution field inspection, training, and testing services are more specifically described as follows:

1. Grounding & Lightning Analysis

Kinectrics can provide turnkey solutions on grounding analysis. This includes, design of new grounding system, performing detailed fault current analysis to calculate the ground fault current, run the gold standard software simulations (CDEGS) to support the engineering analysis, and provide detailed drawings and graphs. Kinectrics grounding engineers have 10+ years of experience in design and modelling of grounding system and also are certified & licensed CDEGS software users. Kinectrics staff are also very involved in IEEE PES working groups with active participation in the IEEE 80 holding a vice chair position in the E6 working group (IEEE 81).

Kinectrics are active participants in these working groups which ensures our clients' results comply with the latest standards which is reflected in Kinectrics offerings. Deliverables for a grounding analysis project includes a technical engineering report which includes:

- Detailed input data and assumption
- Kinectrics methodology which complies with the latest standards
- Fault current analysis
- List of all parameters used as input in the ground grid model
- Reported values for GPR, Step and touch potentials
- Design drawings if required.

Kinectrics is also active in higher frequency studies (such as lightning, transient, and switching) and our offering in this domain has a similar structure to the grounding analysis but at a wider frequency spectrum.

2. Training

Kinectrics provides technical training to support the Transmission & Distribution and Generation energy sector with many areas of specialization. Kinectrics training features professionals who are industry noted experts in their field. Training is structured to be practical to provide the maximum impact on day-to-day work for engineers and technicians. Training ranges from a ½ day session (normally via webinar) to a full week of classroom, supplemented by demonstration. Example training topics covered by Kinectrics includes:

- Arc Flash management and software (ArcPro Software)
- Medium and low voltage cable aging management and testing
- Grounding fundamentals and substation grounding
- Transformer aging management and testing basics
- Lightning basics and mitigation strategies
- Asset management and condition assessment
- IEC 61850: Defining substation communication protocols
- High voltage cable testing
- T&D Equipment Failure Analysis

3. ARC Flash:

Having contributed to the original IEEE 1584 equations, Kinectrics has great experience and has completed both AC and DC arc hazard analysis for many utilities and firms across North America. Kinectrics offers a one stop shop service from data collection to result delivery and training, as well as mitigation measures for component locations with high incident energy levels. Through engineering analysis, using the latest in analytical tools including Kinectrics ArcPro (the only US OSHA endorsed incident energy calculation software), Kinectrics defines inputs for the above variables and computes for the end user, the amount of radiant and convection thermal energy available at sites. Kinectrics can then recommend to clients the protective clothing that is suitable for workers who may be accidentally exposed to electric arcs in their facilities. The Kinectrics advantage is a comprehensive understanding of the necessary input variables, and outputs, of the various computation techniques. Kinectrics' staff understand and can accurately and appropriately apply the requirements of the many industry standards such as IEEE 1584, NESC, NFPA 70E, CSA Z462 CAN/ULC S801 and OSHA on Arc Hazard Assessment. Kinectrics has

successfully completed numerous projects for major North American utilities and has provided advanced technical support for international research and testing projects designed to increase scientific understanding of issues related to arc flash phenomena. The deliverables include detailed arc hazard assessment reports, warning labels for electrical equipment, site specific training for staff, updated SLDs based on as found conditions, optimized protection coordination settings support and arc hazard mitigation consulting.

4. Cable Testing:

Kinectrics performs a full range of laboratory and field cable testing, ranging from low voltage class (less than 1 kV), medium voltage (1 kV to 69 kV) and high voltage (greater than 69 kV – up to 500 kV). Field cable testing is performed for commissioning purposes, for aging management trending, and for post maintenance purposes. Our services are prized for testing when having an independent, 3rd party is desirable or advantageous. Testing abilities include laboratory pre-qualification services in accordance with ANSI/IEEE/AEIC/IEC and other industry consensus standards. Kinectrics is able to perform the work under a wide range of quality standards, ranging from ISO-9001 & ISO10025 to safety related nuclear components. Key support and deliverables include the following:

- Specialized test equipment
- Qualified test personnel
- Technical test reports
- Test equipment support
- Expert witness & Failure Analysis
- Cable life cycle evaluation
- Warranty and extended operation for distribution class cables

5. Field Measurement and Testing

- Ground grid Testing:

Kinectrics has a standard methodology for testing substation grounding performance in line with IEEE Standard 81.2 “IEEE Guide for Measurement of Impedance and Safety Characteristics of Large, Extended or Interconnected Grounding Systems”. Kinectrics holds a vice chair position within the IEEE 81 working group and actively involved in improving the best practices in the field of ground grid testing.

In summary, the following tests are recommended for testing a typical grounding system:

- Integrity of grounding grid, bonding conductors and fence isolation panels, and coordination with fault levels.
- Soil resistivity Testing. Two tests are usually performed where possible (e.g. north-south direction and east-west direction). These tests will provide sufficient data to assist in the grounding system upgrades for later design work.
- Interconnected station ground impedance and ground potential rise.
- Current splits in overhead ground wires, multi-grounded neutrals and the station ground grid.
- Step and touch potentials in yard, fences and gates, surface stone resistivity and comparison to the safe body withstand.

These tests are also corroborated by modelling using the CDEGS software to ensure their accuracy. The Kinectrics grounding report will identify deficiencies relative to utility best

practices and recommend corrections in priority order. Kinectrics performed many similar grounding studies large utilities in the past 20 years. Our approach, methodology, quality of work, and safety record are well known to our clients.

- **EMF:**

Kinectrics also offers field servicing for measuring the levels of electromagnetic fields near the HV transmission corridor. This involves surveying the area near the ROW with Electric and magnetic sensors. The data collected through field surveys is then verified using the HIFREQ model of the ROW, to corroborate the field data with the detailed transmission line model that accounts for the conductor's geometry, line sag, elevation, spacing, and load current. The model will be then used to estimate any capacitive discharge current that can be present for general public touching floating metallic objects (such as semi-trucks), ensuring there are not any hazardous discharge current near the ROW.

- **IR and Corona:**

For substations, Kinectrics offers services to support predictive maintenance in the areas of infrared and corona imaging. These imaging technologies provide online means of assessing equipment performance by identifying anomalous conditions. Infrared imaging is used to locate and quantify local hot spots which can be precursors to failure. Corona imaging offers similar predictive capability by locating areas of corona discharge. Corona is a luminous, audible discharge that occurs when there is an excessive localized electric field gradient upon an object that causes the ionization and possible electrical breakdown of the air adjacent to this point. This can result in flashover and damage equipment.

- **Field Testing of Bucket Trucks:**

Kinectrics offers testing of aerial lifts typically used for work in proximity to high voltage lines. The equipment involved includes insulating boom sections, chassis insulating systems, insulating liners, and upper control components. Industry safety standards are used to help make sure aerial lift devices are tested properly. Kinectrics adheres to various global standards, mainly in the US ANSI/SAIA A92.2 – 2021 and OSHA 1910.67, but additionally IEC 61613 and IEEE/NETA/CSA requirements. Kinectrics utilizes a DC Hipot tester with capabilities up to 670 kV_{DC}. Class A trucks are typically limited to 500 kV_{AC}. This mobile test set is suitable for aerial lift testing on bucket trucks in the field. Kinectrics' ability to test in the field reduces downtime for actively deployed trucks and prevents long delays in shipping trucks to a test lab. Both reducing downtime and avoiding truck shipping costs yields cost savings for our customer base.

- **Transformer Testing:**

Kinectrics provides complete transformer testing and consulting services in the North America to ensure the safe, reliable, and effective commissioning, operation and aging management of power transformers. Our support also includes technical consulting and oversight for transformer procurement. Specific support possibilities include

- **Commissioning Support:**

On-site Routine Testing and advance testing including Frequency Response Analysis / Power factor testing / On-site Partial Discharge testing / Dielectric Frequency Response – insulation dryness

- **Factory Testing Support:**

Test witnessing / Heat run /dissolved gas analysis testing / Frequency Response Analysis baseline / Dielectric Frequency Response / Insulation dryness / Recurrent surge generator (LV impulse) / Partial Discharge (PD) testing / PD localization testing / Failure Mode Effects Analysis / Material failure analysis / Frequency response stray losses

- **Design:**
Design reviews / Impulse voltage distribution calculations / Short-circuit calculations / Dielectric (insulation) design calculations / Thermal calculations / Material selection assistance / Component testing
- **Partial Discharge Testing:**
Kinectrics' technical support for transformer PD measurement includes: Performing on-line electrical PD testing / Custom-built bushing tap sensors / Acoustic PD testing including PD localization / source mapping / PD phase-resolved pattern analysis; pulse-height analysis / Classification mapping to separate corona, noise and multiple PD sources / PD & induced voltage testing or witness in the field / factory Customized training
- **Oil and Dielectric Fluid Analysis:**
Kinectrics' accredited Petroleum Products Group's (PPG's) Chemistry Labs provide a full range of assays on transformer, capacitor, Load Tap Changer, and bushing fluids, ranging from routine testing (PCB, General Oil Quality and Dissolved Gas Analysis) to more complex assays (e.g. bio-degradability), to large-scale R&D testing (e.g. aging testing of fluids and insulation materials; material compatibility testing). Kinectrics' advanced oil diagnostics provides early warning of incipient fault conditions and we can follow-up with other testing as required. Kinectrics also provides full turn-key oil processing service, dry outs and degassing, including onsite low frequency heating (LFH) drying.
- **Transformer dry-outs:**
LFH dry-out is a fast, effective, and efficient moisture removal technology for mission-critical power transformer assets that reduces down-time and expedites return-to-service. LFH, coupled with coordinated application of deep vacuum, is the most effective and fastest insulation dry-out technique available for field use. The insulating paper is heated directly by circulating current in the windings. Kinectrics' LFH/Vacuum Insulation Dry-Out System is the most powerful mobile system in North America offering the fastest and most effective process for field-drying transformer insulation, achieving excellent results in days – not weeks or months.

6. Equipment Evaluation

Kinectrics can support utilities and asset owners by performing 3rd party independent testing for qualifying equipment designs and applications. These qualification tests include electrical, mechanical, chemical, seismic, environmental, and fire ignition testing.

Kinectrics has supported California utilities with testing and qualification of equipment according to CalFire standard. Electrical testing ranges from rudimentary resistance and insulation testing to more advanced testing such as withstand with partial discharge, corona, IR thermography. Kinectrics can also facilitate remote and in person witnessing for the asset owners.

Kinectrics ISO 17025 qualification for most labs brings a peace of mind to our clients by incorporating the best quality programs when performing such tests. Also, our lead engineers are experts when dealing with the ANSI/ IEEE and IEC, and other international standards applicable to various equipment qualification test procedures. Kinectrics can

help asset owners select the most suitable test procedures for qualifying the equipment to assure the highest level of reliability and the lowest cost of ownership.

Kinectrics also supports condition evaluation of aging equipment assets, especially for transformers, cables, overhead conductors and accessories, towers, substation equipment and ground grid. Proper condition assessment of assets supports capital planning and optimizes repair and replacement intervals for these critical assets. Kinectrics un-biased evaluation principles enables us to use the best condition assessment tool and is not based upon a special product or service offering.

7. Electric Induction Study/Analysis

Large scale metallic objects (such as pipelines, gas lines, or a de-energized circuit) in proximity of ac power lines will experience induced voltages that can be very hazardous to the maintenance crew and/or cause corrosion over time. The induced voltage is nonlinearly proportional to the exposure length, the distance between the metallic objects and power lines, and linearly proportional to the net current flowing into the power lines. To properly study the effect of induced voltages, both load and fault conditions can be investigated. During fault conditions, the net current flowing in the power lines is substantially higher yet very short in duration (few hundreds of seconds). This short duration highly imbalanced current causes induced voltages that can exceed the allowable safe touch potential limits specified in IEEE Std 80. Coordination studies can assure the safety of staff conducting maintenance on these assets and the public that could possibly touch these metallic objects near the residential areas. During load conditions on the other hand, smaller induced voltage will be present. However, depending on the length of parallelism and magnitude of the current, the induced voltage could be higher than allowable limits. Other examples of such studies include performing maintenance on a de-energized circuit next an energized circuit. Depending on location of the work grounds and length of parallelism, the maintenance crew can get exposed to hazardous voltages. Output of these studies includes a technical report which outlines the assumptions, modelling parameters, investigated scenarios, and voltage and current profiles, and lists mitigation solutions to achieve coordination.

8. Cathodic Protection Services:

- Review existing gas pipeline cathodic protection system drawings and documentation, and previous surveys and reports completed by third-party consultants.
- Conduct end-to-end close interval cathodic protection system survey of existing gas pipeline facilities, evaluate the system's adequacy and effectiveness and make recommendations for improvement. Survey shall include inspection of all test stations and include AC and DC measurements.
- Evaluate induced AC/DC current interference in congested urban corridor which includes multiple underground utilities, third-party impressed current systems, overhead high voltage power lines, and light rail transportation. Make recommendations for mitigation and a monitoring program.
- Design/recommend repair to or relocation of existing testing and monitoring stations. Design other CP system components, such as polarization cell replacement (PCR) devices, corosometers, test coupons, and sacrificial anodes.
- Engineer standard cathodic protection installation designs for use at multiple locations throughout the natural gas pipeline system. Create detailed drawings with bills of material

(BOM), including part numbers, quantities and dimensions with sufficient detail to procure materials and complete installation.

- Troubleshoot pipe and cable locating issues which may be caused by interference from third-party facilities.
- Perform an overall evaluation of the CP system and provide recommendations for any design and/or system improvements.

9. LineVue Services

The Kinectrics LineVue is a non-destructive inspection device that is used to assess the condition of overhead conductors with steel cores (i.e., ACSR and ACSS) and shield wires in the field. Two (2) sensors in the sensor head detect local flaws and measure the remaining cross-sectional area of steel core wires using a magnetic technology.

- Loss of Metallic Cross-Sectional Area (LMA) Inspection: Quantitatively measures the remaining steel area caused by corrosion and wear over ~ 0.75 m (2-3 ft) length with an accuracy of +/- 5%.
- Localized Flaw (LF) Inspection: Qualitatively detects discontinuities (local flaws) such as broken steel wires and corrosion pitting.

Kinectrics will provide the following items:

- Kinectrics will make available one (1) Transmission LineVue and one (1) operator to inspect conductors on HV lines for consecutive business days.
- Preparation of Transmission LineVue at Kinectrics to ship to the desired testing location
- All costs associated with the return shipment of Transmission LineVue
- All costs associated with transport of Transmission LineVue while at site.
- Labor costs for the operator(s) while at site.
- All accommodations, meals and travel for Kinectrics' operator(s) while at site.

One all-inclusive report will be issued for all phase conductor (or shield wires) tested. The report will include:

- Data analysis and interpretation
- Preparation of mini reports for each phase conductor (or shieldwire)
- Kinectrics will include Summary section that will summarize all findings of all conductors tested.
- One (1) mini report (4-page) for each phase conductor (or shieldwire) that exhibits signs of corrosion.
- One (1) mini report (1 or 2-page) will be prepared for each phase conductor (or shieldwire) that do not exhibit signs of corrosion.

10. LineVue lease

As an alternative option to the service support outlined in the previous section, Kinectrics can offer the leased and licensed Technology including the following:

- Transmission LineVue® System version 3.0 (equipment)
- LineVue® Software Version 4.28
- LineVue® Ground Base Controller & supporting software Version 3.0.1 (includes one laptop computer and operating system software)
- LineVue® Receiver, antenna, data acquisition system software Version 3.0.1
- Shipping Cases
- Contingency Spare Parts
- Operation and Maintenance Manual

Other Professional Services are more fully detailed as follows:

General Consulting Services

Kinectrics can provide a wide array of general consulting in a variety of topical areas. Our component and testing specialist can assist in a wide area of tasks, especially when a third-party objective perspective is desired. Specific areas of consulting support include:

- Relay performance, design, and operation review
- Protection and control logic and adequacy
- Transformer procurement specification and oversight
- Arc Flash management and prevention
- Grounding adequacy and design review
- Cable design specifications
- Independent failure analysis review
- Expert witness
- Component design reviews
- Generator and motor procurement

EXHIBIT B

COMPENSATION SCHEDULE AND HOURLY FEES

Compensation for all tasks, including hourly fees and expenses, shall not exceed the amount set forth in Section 2 of the Agreement. The hourly rates and or compensation break down and an estimated amount of expenses is as follows:

Generator testing and assessment services:

- I. Standard Generator Testing and Assessment: \$42,000
- II. Advance Generator Testing and Assessment: TBD
- III. Additional Generator Tests
 - 1. Wedge Test: \$10,500
 - 2. ELCID Test: \$12,500
 - 3. Iso-Phase Bus Test: \$5,000

Additional Day (Mon-Fri): \$ 6,500

Additional Day (Sat-Sun): \$ 8,600
- IV. Technical Assistance and Document Review:
 - 1. Hourly Rate: \$215/Hour
 - 2. Expenses: Expenses + 15% Handling Fee
- V. Qualification Testing of 13.8kV stator bars/coils: \$ 60,000 (Does not include any failure analysis and/or repeat testing in case of any failure of the samples)

Pricing is valid to December 31, 2027 and is subject to a 3% per year escalation for following years. All prices listed are before applicable taxes.

Transmission and distribution field inspection services, testing, training, and other professional services:

The hourly rates and or compensation break down and an estimated amount of expenses is as follows:

Category	Hourly rate (USD) Fiscal Year 2023	Hourly rate (USD) Fiscal Year 2024	Hourly rate (USD) Fiscal Year 2025
Principal Lead Electrical Engineer	\$200	\$206	\$212.18
Senior Non-Lead Electrical Engineer	\$182	\$187.46	\$193.08
Project Manager	\$161	\$165.83	\$170.80
Lead Field Technologist	\$151	\$155.53	\$160.20
Non-Lead technologists	\$137	\$141.11	\$145.34
Specialty Technical Advisors	\$276	\$284.28	\$292.81

Pricing for services to be performed at NCPA Member or SPPA locations will be quoted at the time services are requested.

NOTE: As a public agency, NCPA shall not reimburse Consultant for travel, food and related costs in excess of those permitted by the Internal Revenue Service.



Commission Staff Report – *DRAFT*

COMMISSION MEETING DATE: December 5, 2024

SUBJECT: RAM Mechanical, Inc. – Five Year Multi-Task General Services Agreement for General T&M Maintenance Services; Applicable to the following: All Northern California Power Agency (NCPA) Facilities, NCPA Members, Southern California Public Power Authority (SCPPA), and SCPPA Members

AGENDA CATEGORY: Consent

FROM:	Michael DeBortoli	METHOD OF SELECTION:
	Assistant General Manager	N/A
Division:	Generation Services	<i>If other, please describe:</i>
Department:	Combustion Turbines	

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

Approve Resolution 24-XX authorizing the General Manager or his designee to enter into a Multi-Task General Services Agreement with RAM Mechanical, Inc. for general T&M maintenance related services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$2,000,000 over five years, for use at any facilities owned and/or operated by NCPA, NCPA Members, by SCPPA and SCPPA Members.

BACKGROUND:

Various routine, recurring and usual T&M maintenance related services are required from time to time for the operation and maintenance of facilities owned and/or operated by NCPA, NCPA Members, by SCPPA and SCPPA Members. NCPA has utilized this vendor in the past, and has a good working relationship with this 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 purchases.

NCPA has agreements in place for similar services with The Boldt Company, Performance Mechanical, TCB Industrial, TNT Industrial and Wagner Mechanical.

FISCAL IMPACT:

Upon execution, the total cost of the agreement is not to exceed \$2,000,000 over five years. Purchase orders referencing the terms and conditions of the agreement will be issued following NCPA procurement policies and procedures.

SELECTION PROCESS:

This enabling agreement does not commit NCPA to any expenditure of funds. At the time services are needed, NCPA will bid the specific scope of work consistent with NCPA procurement policies and procedures. NCPA seeks bids from qualified providers as required. Bids are awarded to the vendor providing the best overall value to NCPA. NCPA will issue purchase orders based on cost and availability of the services needed at the time the service is required.

ENVIRONMENTAL ANALYSIS:

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 of the California Environmental Quality Act. No environmental review is necessary.

COMMITTEE REVIEW:

PENDING COMMITTEE APPROVALS:

AFTER FACILITIES APPROVAL: On November 6, 2024, the Facilities Committee reviewed and endorsed the recommendation above for Commission approval.

AFTER LEC PPC APPROVAL: On November 4, 2024, the Lodi Energy Center Project Participant Committee reviewed and approved the recommendation above for Commission approval.

Respectfully submitted,

RANDY S. HOWARD
General Manager

Attachments (2):

- Resolution 24-XX
- Multi-Task General Services Agreement with RAM Mechanical, Inc.

RESOLUTION 24-XX

RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY APPROVING A MULTI-TASK GENERAL SERVICES AGREEMENT WITH RAM MECHANICAL, INC.

(reference Staff Report XXX:24)

WHEREAS, various routine, recurring and usual T&M maintenance related services are required from time to time for the operation and maintenance of facilities owned and/or operated by the Northern California Power Agency (NCPA), NCPA Members, by the Southern California Public Power Authority (SCPPA), and SCPPA Members; and

WHEREAS, RAM Mechanical, Inc. is a provider of these services; and

WHEREAS, the NCPA Commission has reviewed the Multi-Task General Services Agreement with RAM Mechanical, Inc. to provide such services as needed at any facilities owned and/or operated by NCPA, NCPA Members, by SCPPA, and SCPPA Members; 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 or his designee to enter into said Multi-Task General Services Agreement, with any non-substantial changes as approved by the NCPA General Counsel, which shall not exceed \$2,000,000 over five years, for use at any facilities owned and/or operated by NCPA, NCPA Members, by SCPPA, and SCPPA Members.

PASSED, ADOPTED and APPROVED this ____ day of _____, 2024 by the following vote on roll call:

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

JENELLE OSBORNE
CHAIR

ATTEST:

CARRIE POLLO
ASSISTANT SECRETARY



**MULTI-TASK
GENERAL SERVICES AGREEMENT BETWEEN
THE NORTHERN CALIFORNIA POWER AGENCY AND
RAM MECHANICAL, INC.**

This Multi-Task General Services Agreement ("Agreement") is made by and between the Northern California Power Agency, a joint powers agency with its main office located at 651 Commerce Drive, Roseville, CA 95678-6420 ("Agency") and RAM Mechanical, Inc., a corporation, with its office located at 3506 Moore Road, Ceres, CA 95307 ("Contractor") (together sometimes referred to as the "Parties") as of _____, 2024 ("Effective Date") in Roseville, California.

Section 1. SCOPE OF WORK. Subject to the terms and conditions set forth in this Agreement, Contractor is willing to provide to Agency the range of services and/or goods described in the Scope of Work attached hereto as Exhibit A and incorporated herein ("Work").

- 1.1 Term of Agreement.** The term of this Agreement shall begin on the Effective Date and shall end when Contractor completes the Work, or no later than five (5) years from the date this Agreement was signed by Agency, whichever is shorter.
- 1.2 Standard of Performance.** Contractor shall perform the Work in the manner and according to the standards observed by a competent practitioner of the profession in which Contractor is engaged and for which Contractor is providing the Work. Contractor represents that it is licensed, qualified and experienced to provide the Work set forth herein.
- 1.3 Assignment of Personnel.** Contractor shall assign only competent personnel to perform the Work. In the event that Agency, in its sole discretion, at any time during the term of this Agreement, requests the reassignment of any such personnel, Contractor shall, immediately upon receiving written notice from Agency of such request, reassign such personnel.
- 1.4 Work Provided.** Work provided under this Agreement by Contractor may include Work directly to the Agency or, as requested by the Agency and consistent with the terms of this Agreement, to Agency members, Southern California Public Power Authority ("SCPPA") or SCPPA members.
- 1.5 Request for Work to be Performed.** At such time that Agency determines to have Contractor perform Work under this Agreement, Agency shall issue a Purchase Order. The Purchase Order shall identify the specific Work to be performed ("Requested Work"), may include a not-to-exceed cap on monetary cap on Requested Work and all related expenditures authorized by that Purchase Order, and shall include a time by which the Requested Work shall be completed. Contractor shall have seven calendar days from the date of the Agency's issuance of the Purchase Order in which to respond in writing that Contractor chooses not to perform the Requested Work. If Contractor agrees to perform the Requested Work, begins to perform the Requested Work, or does not respond within the seven day period specified, then Contractor will have

agreed to perform the Requested Work on the terms set forth in the Purchase Order, this Agreement and its Exhibits.

Section 2. COMPENSATION. Agency hereby agrees to pay Contractor an amount **NOT TO EXCEED** TWO MILLION dollars (\$2,000,000.00) for the Work, which shall include all fees, costs, expenses and other reimbursables, as set forth in Contractor's fee schedule, attached hereto and incorporated herein as Exhibit B. This dollar amount is not a guarantee that Agency will pay that full amount to the Contractor, but is merely a limit of potential Agency expenditures under this Agreement.

2.1 Invoices. Contractor shall submit invoices, not more often than once a month during the term of this Agreement, based on the cost for services performed and reimbursable costs incurred prior to the invoice date. Invoices shall contain the following information:

- The beginning and ending dates of the billing period;
- Work performed;
- The Purchase Order number authorizing the Requested Work;
- At Agency's option, for each work item in each task, a copy of the applicable time entries or time sheets shall be submitted showing the name of the person doing the work, the hours spent by each person, a brief description of the work, and each reimbursable expense, with supporting documentation, to Agency's reasonable satisfaction;
- At Agency's option, the total number of hours of work performed under the Agreement by Contractor and each employee, agent, and subcontractor of Contractor performing work hereunder.

Invoices shall be sent to:

Northern California Power Agency
651 Commerce Drive
Roseville, California 95678
Attn: Accounts Payable
AcctsPayable@ncpa.com

2.2 Monthly Payment. Agency shall make monthly payments, based on invoices received, for Work satisfactorily performed, and for authorized reimbursable costs incurred. Agency shall have thirty (30) days from the receipt of an invoice that complies with all of the requirements above to pay Contractor.

2.3 Payment of Taxes. Contractor is solely responsible for the payment of all federal, state and local taxes, including employment taxes, incurred under this Agreement.

2.4 Authorization to Perform Work. The Contractor is not authorized to perform any Work or incur any costs whatsoever under the terms of this Agreement until receipt of a Purchase Order from the Contract Administrator.

- 2.5 Timing for Submittal of Final Invoice.** Contractor shall have ninety (90) days after completion of the Requested Work to submit its final invoice for the Requested Work. In the event Contractor fails to submit an invoice to Agency for any amounts due within the ninety (90) day period, Contractor is deemed to have waived its right to collect its final payment for the Requested Work from Agency.

Section 3. FACILITIES AND EQUIPMENT. Except as set forth herein, Contractor shall, at its sole cost and expense, provide all facilities and equipment that may be necessary to perform the Work.

Section 4. INSURANCE REQUIREMENTS. Before beginning any Work under this Agreement, Contractor, at its own cost and expense, shall procure the types and amounts of insurance listed below and shall maintain the types and amounts of insurance listed below for the period covered by this Agreement.

- 4.1 Workers' Compensation.** If Contractor employs any person, Contractor shall maintain Statutory Workers' Compensation Insurance and Employer's Liability Insurance for any and all persons employed directly or indirectly by Contractor with limits of not less than one million dollars (\$1,000,000.00) per accident.

4.2 Commercial General and Automobile Liability Insurance.

- 4.2.1 Commercial General Insurance.** Contractor shall maintain commercial general liability insurance for the term of this Agreement, including products liability, covering any loss or liability, including the cost of defense of any action, for bodily injury, death, personal injury and broad form property damage which may arise out of the operations of Contractor. The policy shall provide a minimum limit of \$2,000,000 per occurrence/\$2,000,000 aggregate. Commercial general coverage shall be at least as broad as ISO Commercial General Liability form CG 0001 (current edition) on "an occurrence" basis covering comprehensive General Liability, with a self-insured retention or deductible of no more than \$100,000. No endorsement shall be attached limiting the coverage.

- 4.2.2 Automobile Liability.** Contractor shall maintain automobile liability insurance form CA 0001 (current edition) for the term of this Agreement covering any loss or liability, including the cost of defense of any action, arising from the operation, maintenance or use of any vehicle (symbol 1), whether or not owned by the Contractor, on or off Agency premises. The policy shall provide a minimum limit of \$2,000,000 per each accident, with a self-insured retention or deductible of no more than \$100,000. This insurance shall provide contractual liability covering all motor vehicles and mobile equipment to the extent coverage may be excluded from general liability insurance.

- 4.2.3 General Liability/Umbrella Insurance.** The coverage amounts set forth above may be met by a combination of underlying and umbrella policies as long as in combination the limits equal or exceed those stated.

4.3 Professional Liability Insurance. Not Applicable.

4.4 Pollution Insurance. Not Applicable.

4.5 All Policies Requirements.

4.5.1 Verification of coverage. Prior to beginning any work under this Agreement, Contractor shall provide Agency with (1) a Certificate of Insurance that demonstrates compliance with all applicable insurance provisions contained herein and (2) policy endorsements to the policies referenced in Section 4.2 and in Section 4.4, if applicable, adding the Agency as an additional insured and declaring such insurance primary in regard to work performed pursuant to this Agreement.

4.5.2 Notice of Reduction in or Cancellation of Coverage. Contractor shall provide at least thirty (30) days prior written notice to Agency of any reduction in scope or amount, cancellation, or modification adverse to Agency of the policies referenced in Section 4.

4.5.3 Higher Limits. If Contractor maintains higher limits than the minimums specified herein, the Agency shall be entitled to coverage for the higher limits maintained by the Contractor.

4.5.4 Additional Certificates and Endorsements. If Contractor performs Work for Agency members, SCPPA and/or SCPPA members pursuant to this Agreement, Contractor shall provide the certificates of insurance and policy endorsements, as referenced in Section 4.5.1, naming the specific Agency member, SCPPA and/or SCPPA member for which the Work is to be performed.

4.5.5 Waiver of Subrogation. Contractor agrees to waive subrogation which any insurer of Contractor may acquire from Contractor by virtue of the payment of any loss. Contractor agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation. In addition, the Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of Agency for all work performed by Contractor, its employees, agents and subcontractors.

4.6 Contractor's Obligation. Contractor shall be solely responsible for ensuring that all equipment, vehicles and other items utilized in the performance of Work are operated, provided or otherwise utilized in a manner that ensures they are and remain covered by the policies referenced in Section 4 during this Agreement. Contractor shall also ensure that all workers involved in the provision of Work are properly classified as employees, agents or independent contractors and are and remain covered by any and all workers' compensation insurance required by applicable law during this Agreement.

Section 5. INDEMNIFICATION AND CONTRACTOR'S RESPONSIBILITIES.

- 5.1 Effect of Insurance.** Agency's acceptance of insurance certificates and endorsements required under this Agreement does not relieve Contractor from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply to any damages or claims for damages whether or not such insurance policies shall have been determined to apply. By execution of this Agreement, Contractor acknowledges and agrees to the provisions of this section and that it is a material element of consideration.
- 5.2 Scope.** Contractor shall indemnify, defend with counsel reasonably acceptable to the Agency, and hold harmless the Agency, and its officials, commissioners, officers, employees, agents and volunteers from and against all losses, liabilities, claims, demands, suits, actions, damages, expenses, penalties, fines, costs (including without limitation costs and fees of litigation), judgments and causes of action of every nature arising out of or in connection with any acts or omissions by Contractor, its officers, officials, agents, and employees, except as caused by the sole or gross negligence of Agency. Notwithstanding, should this Agreement be construed as a construction agreement under Civil Code section 2783, then the exception referenced above shall also be for the active negligence of Agency.
- 5.3 Transfer of Title.** Not Applicable.

Section 6. STATUS OF CONTRACTOR.

- 6.1 Independent Contractor.** Contractor is an independent contractor and not an employee of Agency. Agency shall have the right to control Contractor only insofar as the results of Contractor's Work and assignment of personnel pursuant to Section 1; otherwise, Agency shall not have the right to control the means by which Contractor accomplishes Work rendered pursuant to this Agreement. Notwithstanding any other Agency, state, or federal policy, rule, regulation, law, or ordinance to the contrary, Contractor and any of its employees, agents, and subcontractors providing services under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any and all claims to, any compensation, benefit, or any incident of employment by Agency, including but not limited to eligibility to enroll in the California Public Employees Retirement System (PERS) as an employee of Agency and entitlement to any contribution to be paid by Agency for employer contributions and/or employee contributions for PERS benefits.

Contractor shall indemnify, defend, and hold harmless Agency for the payment of any employee and/or employer contributions for PERS benefits on behalf of Contractor or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of Agency. Contractor and Agency acknowledge and agree that compensation paid by Agency to Contractor under this Agreement is based upon Contractor's estimated costs of providing the Work, including salaries and benefits of employees, agents and subcontractors of Contractor.

Contractor shall indemnify, defend, and hold harmless Agency from any lawsuit, administrative action, or other claim for penalties, losses, costs, damages, expense and liability of every kind, nature and description that arise out of, pertain to, or relate to such claims, whether directly or indirectly, due to Contractor's failure to secure workers' compensation insurance for its employees, agents, or subcontractors.

Contractor agrees that it is responsible for the provision of group healthcare benefits to its fulltime employees under 26 U.S.C. § 4980H of the Affordable Care Act. To the extent permitted by law, Contractor shall indemnify, defend and hold harmless Agency from any penalty issued to Agency under the Affordable Care Act resulting from the performance of the Services by any employee, agent, or subcontractor of Contractor.

- 6.2 Contractor Not Agent.** Except as Agency may specify in writing, Contractor shall have no authority, express or implied, to act on behalf of Agency in any capacity whatsoever as an agent. Contractor shall have no authority, express or implied, pursuant to this Agreement to bind Agency to any obligation whatsoever.
- 6.3 Assignment and Subcontracting.** This Agreement contemplates personal performance by Contractor and is based upon a determination of Contractor's unique professional competence, experience, and specialized professional knowledge. A substantial inducement to Agency for entering into this Agreement was and is the personal reputation and competence of Contractor. Contractor may not assign this Agreement or any interest therein without the prior written approval of the Agency. Contractor shall not subcontract any portion of the performance contemplated and provided for herein, other than to the subcontractors identified in Exhibit A, without prior written approval of the Agency. Where written approval is granted by the Agency, Contractor shall supervise all work subcontracted by Contractor in performing the Work and shall be responsible for all work performed by a subcontractor as if Contractor itself had performed such work. The subcontracting of any work to subcontractors shall not relieve Contractor from any of its obligations under this Agreement with respect to the Work and Contractor is obligated to ensure that any and all subcontractors performing any Work shall be fully insured in all respects and to the same extent as set forth under Section 4, to Agency's satisfaction.
- 6.4 Certification as to California Energy Commission.** If requested by the Agency, Contractor shall, at the same time it executes this Agreement, execute Exhibit C.
- 6.5 Certification as to California Energy Commission Regarding Hazardous Materials Transport Vendors.** If requested by the Agency, Contractor shall, at the same time it executes this Agreement, execute Exhibit D.
- 6.6 Maintenance Labor Agreement.** If the Work is subject to the terms of one or more Maintenance Labor Agreements, which are applicable only to certain types

of construction, repair and/or maintenance projects, then Contractor shall execute Exhibit E and/or similar documentation as to compliance.

Section 7. LEGAL REQUIREMENTS.

- 7.1 **Governing Law.** The laws of the State of California shall govern this Agreement.
- 7.2 **Compliance with Applicable Laws.** Contractor and its subcontractors and agents, if any, shall comply with all laws applicable to the performance of the work hereunder.
- 7.3 **Licenses and Permits.** Contractor represents and warrants to Agency that Contractor and its employees, agents, and subcontractors (if any) have and will maintain at their sole expense during the term of this Agreement all licenses, permits, qualifications, and approvals of whatever nature that are legally required to practice their respective professions.
- 7.4 **Monitoring by DIR.** The Work is subject to compliance monitoring and enforcement by the Department of Industrial Relations.
- 7.5 **Registration with DIR.** During the term of this Agreement, Contractor warrants that it is registered with the Department of Industrial Relations and qualified to perform Work consistent with Labor Code section 1725.5.
- 7.6 **Prevailing Wage Rates.** In accordance with California Labor Code Section 1771, not less than the general prevailing rate of per diem wages for work of a similar character in the locality in which the Work is to be performed, and not less than the general prevailing rate of per diem wages for holiday and overtime work as provided in the California Labor Code must be paid to all workers engaged in performing the Work. In accordance with California Labor Code Section 1770 and following, the Director of Industrial Relations has determined the general prevailing wage per diem rates for the locality in which the Work is to be performed; the Agency has obtained the general prevailing rate of per diem wages and the general rate for holiday and overtime work in the locality in which the Work is to be performed for each craft, classification or type of worker needed to perform the project; and copies of the prevailing rate of per diem wages are on file at the Agency and will be made available on request. Throughout the performance of the Work, Contractor must comply with all applicable laws and regulations that apply to wages earned in performance of the Work. Contractor assumes all responsibility for such payments and shall defend, indemnify and hold the Agency harmless from any and all claims made by the State of California, the Department of Industrial Relations, any subcontractor, any worker or any other third party with regard thereto.

Additionally, in accordance with the California Administrative Code, Title 8, Group 3, Article 2, Section 16000, Publication of Prevailing Wage Rates by Awarding

Bodies, copies of the applicable determination of the Director can be found on the web at: <http://www.dir.ca.gov/DLSR/PWD/> and may be reviewed at any time.

Contractor shall provide a certified copy of its payroll, on forms to be determined by the Agency and consistent with the Labor Code, within ten (10) days of the Contractor's receipt of Agency's written request therefor. Contractor's failure to timely comply with this provision may subject the Contractor to penalties pursuant to state law.

Contractor shall comply with applicable law, including Labor Code Sections 1774 and 1775. In accordance with Section 1775, Contractor shall forfeit as a penalty to Agency \$200.00 for each calendar day or portion thereof, for each worker paid less than the prevailing rates as determined by the Director of Industrial Relations for such work or craft in which such worker is employed for any Work done under the Agreement by Contractor or by any subcontractor under Contractor in violation of the provisions of the Labor Code and in particular, Labor Code Sections 1770 *et seq.* In addition to the penalty and pursuant to Section 1775, the difference between such prevailing wage rates and the amount paid to each worker for each calendar day or portion thereof for which each worker was paid less than the prevailing wage rate shall be paid to each worker by the Contractor.

Section 8. TERMINATION AND MODIFICATION.

- 8.1 Termination.** Agency may cancel this Agreement at any time and without cause upon ten (10) days prior written notice to Contractor.

In the event of termination, Contractor shall be entitled to compensation for Work satisfactorily completed as of the effective date of termination; Agency, however, may condition payment of such compensation upon Contractor delivering to Agency any or all records or documents (as referenced in Section 9.1 hereof).

- 8.2 Amendments.** The Parties may amend this Agreement only by a writing signed by both of the Parties.

- 8.3 Survival.** All obligations arising prior to the termination of this Agreement and all provisions of this Agreement allocating liability between Agency and Contractor shall survive the termination of this Agreement.

- 8.4 Options upon Breach by Contractor.** If Contractor materially breaches any of the terms of this Agreement, including but not limited to those set forth in Section 4, Agency's remedies shall include, but not be limited to, the following:

8.4.1 Immediately terminate the Agreement;

8.4.2 Retain the plans, specifications, drawings, reports, design documents, and any other work product prepared by Contractor pursuant to this Agreement;

- 8.4.3** Retain a different Contractor to complete the Work not finished by Contractor; and/or
- 8.4.4** Charge Contractor the difference between the costs to complete the Work that is unfinished at the time of breach and the amount that Agency would have paid Contractor pursuant hereto if Contractor had completed the Work.

Section 9. KEEPING AND STATUS OF RECORDS.

- 9.1 Records Created as Part of Contractor's Performance.** All reports, data, maps, models, charts, studies, surveys, photographs, memoranda, plans, studies, specifications, records, files, or any other documents or materials, in electronic or any other form, that Contractor prepares or obtains pursuant to this Agreement and that relate to the matters covered hereunder shall be the property of the Agency. Contractor hereby agrees to deliver those documents to the Agency upon termination of the Agreement. Agency and Contractor agree that, unless approved by Agency in writing, Contractor shall not release to any non-parties to this Agreement any data, plans, specifications, reports and other documents.
- 9.2 Contractor's Books and Records.** Contractor shall maintain any and all records or other documents evidencing or relating to charges for Work or expenditures and disbursements charged to the Agency under this Agreement for a minimum of three (3) years, or for any longer period required by law, from the date of final payment to the Contractor under this Agreement.
- 9.3 Inspection and Audit of Records.** Any records or documents that this Agreement requires Contractor to maintain shall be made available for inspection, audit, and/or copying at any time during regular business hours, upon oral or written request of the Agency. Under California Government Code Section 8546.7, if the amount of public funds expended under this Agreement exceeds ten thousand dollars (\$10,000.00), the Agreement shall be subject to the examination and audit of the State Auditor, at the request of Agency or as part of any audit of the Agency, for a period of three (3) years after final payment under this Agreement.
- 9.4 Confidential Information and Disclosure.**
- 9.4.1 Confidential Information.** The term "Confidential Information", as used herein, shall mean any and all confidential, proprietary, or trade secret information, whether written, recorded, electronic, oral or otherwise, where the Confidential Information is made available in a tangible medium of expression and marked in a prominent location as confidential, proprietary and/or trade secret information. Confidential Information shall not include information that: (a) was already known to the Receiving Party or is otherwise a matter of public knowledge, (b) was disclosed to

Receiving Party by a third party without violating any confidentiality agreement, (c) was independently developed by Receiving Party without reverse engineering, as evidenced by written records thereof, or (d) was not marked as Confidential Information in accordance with this section.

9.4.2 Non-Disclosure of Confidential Information. During the term of this Agreement, either party may disclose (the “Disclosing Party”) Confidential Information to the other party (the “Receiving Party”). The Receiving Party: (a) shall hold the Disclosing Party's Confidential Information in confidence; and (b) shall take all reasonable steps to prevent any unauthorized possession, use, copying, transfer or disclosure of such Confidential Information.

9.4.3 Permitted Disclosure. Notwithstanding the foregoing, the following disclosures of Confidential Information are allowed. Receiving Party shall endeavor to provide prior written notice to Disclosing Party of any permitted disclosure made pursuant to Section 9.4.3.2 or 9.4.3.3. Disclosing Party may seek a protective order, including without limitation, a temporary restraining order to prevent or contest such permitted disclosure; provided, however, that Disclosing Party shall seek such remedies at its sole expense. Neither party shall have any liability for such permitted disclosures:

9.4.3.1 Disclosure to employees, agents, contractors, subcontractors or other representatives of Receiving Party that have a need to know in connection with this Agreement.

9.4.3.2 Disclosure in response to a valid order of a court, government or regulatory agency or as may otherwise be required by law; and

9.4.3.3 Disclosure by Agency in response to a request pursuant to the California Public Records Act.

9.4.4 Handling of Confidential Information. Upon conclusion or termination of the Agreement, Receiving Party shall return to Disclosing Party or destroy Confidential Information (including all copies thereof), if requested by Disclosing Party in writing. Notwithstanding the foregoing, the Receiving Party may retain copies of such Confidential Information, subject to the confidentiality provisions of this Agreement: (a) for archival purposes in its computer system; (b) in its legal department files; and (c) in files of Receiving Party's representatives where such copies are necessary to comply with applicable law. Party shall not disclose the Disclosing Party's Information to any person other than those of the Receiving Party's employees, agents, consultants, contractors and subcontractors who have a need to know in connection with this Agreement.

Section 10. PROJECT SITE.

- 10.1 Operations at the Project Site.** Each Project site may include the power plant areas, all buildings, offices, and other locations where Work is to be performed, including any access roads. Contractor shall perform the Work in such a manner as to cause a minimum of interference with the operations of the Agency; if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4; and other contractors at the Project site and to protect all persons and property thereon from damage or injury. Upon completion of the Work at a Project site, Contractor shall leave such Project site clean and free of all tools, equipment, waste materials and rubbish, stemming from or relating to Contractor's Work.
- 10.2 Contractor's Equipment, Tools, Supplies and Materials.** Contractor shall be solely responsible for the transportation, loading and unloading, and storage of any equipment, tools, supplies or materials required for performing the Work, whether owned, leased or rented. Neither Agency nor, if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4, will be responsible for any such equipment, supplies or materials which may be lost, stolen or damaged or for any additional rental charges for such. Equipment, tools, supplies and materials left or stored at a Project site, with or without permission, is at Contractor's sole risk. Anything left on the Project site an unreasonable length of time after the Work is completed shall be presumed to have been abandoned by the Contractor. Any transportation furnished by Agency or, if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4, shall be solely as an accommodation and neither Agency nor, if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4, shall have liability therefor. Contractor shall assume the risk and is solely responsible for its owned, non-owned and hired automobiles, trucks or other motorized vehicles as well as any equipment, tools, supplies, materials or other property which is utilized by Contractor on the Project site. All materials and supplies used by Contractor in the Work shall be new and in good condition.
- 10.3 Use of Agency Equipment.** Contractor shall assume the risk and is solely responsible for its use of any equipment owned and property provided by Agency and, if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4, for the performance of Work.

Section 11. WARRANTY.

- 11.1 Nature of Work.** In addition to any and all warranties provided or implied by law or public policy, Contractor warrants that all Work shall be free from defects in design and workmanship, and that Contractor shall perform all Work in accordance with applicable federal, state, and local laws, rules and regulations including engineering, construction and other codes and standards and prudent electrical utility standards, and in accordance with the terms of this Agreement.

11.2 Deficiencies in Work. In addition to all other rights and remedies which Agency may have, Agency shall have the right to require, and Contractor shall be obligated at its own expense to perform, all further Work which may be required to correct any deficiencies which result from Contractor's failure to perform any Work in accordance with the standards required by this Agreement. If during the term of this Agreement or the one (1) year period following completion of the Work, any equipment, supplies or other materials or Work used or provided by Contractor under this Agreement fails due to defects in material and/or workmanship or other breach of this Agreement, Contractor shall, upon any reasonable written notice from Agency, replace or repair the same to Agency's satisfaction.

11.3 Assignment of Warranties. Contractor hereby assigns to Agency all additional warranties, extended warranties, or benefits like warranties, such as insurance, provided by or reasonably obtainable from suppliers of equipment and material used in the Work.

Section 12. HEALTH AND SAFETY PROGRAMS. The Contractor shall establish, maintain, and enforce safe work practices, and implement an accident/incident prevention program intended to ensure safe and healthful operations under their direction. The program shall include all requisite components of such a program under Federal, State and local regulations and shall comply with all site programs established by Agency and, if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4.

12.1 Contractor is responsible for acquiring job hazard assessments as necessary to safely perform the Work and provide a copy to Agency upon request.

12.2 Contractor is responsible for providing all employee health and safety training and personal protective equipment in accordance with potential hazards that may be encountered in performance of the Work and provide copies of the certified training records upon request by Agency. Contractor shall be responsible for proper maintenance and/or disposal of their personal protective equipment and material handling equipment.

12.3 Contractor is responsible for ensuring that its lower-tier subcontractors are aware of and will comply with the requirements set forth herein.

12.4 Agency, or its representatives, may periodically monitor the safety performance of the Contractor performing the Work. Contractors and its subcontractors shall be required to comply with the safety and health obligations as established in the Agreement. Non-compliance with safety, health, or fire requirements may result in cessation of work activities, until items in non-compliance are corrected. It is also expressly acknowledged, understood and agreed that no payment shall be due from Agency to Contractor under this Agreement at any time when, or for any Work performed when, Contractor is not in full compliance with this Section 12.

- 12.5** Contractor shall immediately report any injuries to the Agency site safety representative. Additionally, the Contractor shall investigate and submit to the Agency site safety representative copies of all written accident reports, and coordinate with Agency if further investigation is requested.
- 12.6** Contractor shall take all reasonable steps and precautions to protect the health of its employees and other site personnel with regard to the Work. Contractor shall conduct occupational health monitoring and/or sampling to determine levels of exposure of its employees to hazardous or toxic substances or environmental conditions. Copies of any sampling results will be forwarded to the Agency site safety representative upon request.
- 12.7** Contractor shall develop a plan to properly handle and dispose of any hazardous wastes, if any, Contractor generates in performing the Work.
- 12.8** Contractor shall advise its employees and subcontractors that any employee who jeopardizes his/her safety and health, or the safety and health of others, may be subject to actions including removal from Work.
- 12.9** Contractor shall, at the sole option of the Agency, develop and provide to the Agency a Hazardous Material Spill Response Plan that includes provisions for spill containment and clean-up, emergency contact information including regulatory agencies and spill sampling and analysis procedures. Hazardous Materials shall include diesel fuel used for trucks owned or leased by the Contractor.
- 12.10** If Contractor is providing Work to an Agency Member, SCPPA or SCPPA member (collectively "Member" solely for the purpose of this section) pursuant to Section 1.4 hereof, then that Member shall have the same rights as the Agency under Sections 12.1, 12.2, 12.4, 12.5, and 12.6 hereof.

Section 13. MISCELLANEOUS PROVISIONS.

- 13.1 Attorneys' Fees.** If a party to this Agreement brings any action, including an action for declaratory relief, to enforce or interpret the provision of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees in addition to any other relief to which that party may be entitled. The court may set such fees in the same action or in a separate action brought for that purpose.
- 13.2 Venue.** In the event that either party brings any action against the other under this Agreement, the Parties agree that trial of such action shall be vested exclusively in the state courts of California in the County of Placer or in the United States District Court for the Eastern District of California.
- 13.3 Severability.** If a court of competent jurisdiction finds or rules that any provision of this Agreement is invalid, void, or unenforceable, the provisions of this Agreement not so adjudged shall remain in full force and effect. The invalidity in

whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.

13.4 No Implied Waiver of Breach. The waiver of any breach of a specific provision of this Agreement does not constitute a waiver of any other breach of that term or any other term of this Agreement.

13.5 Successors and Assigns. The provisions of this Agreement shall inure to the benefit of and shall apply to and bind the successors and assigns of the Parties.

13.6 Conflict of Interest. Contractor may serve other clients, but none whose activities within the corporate limits of Agency or whose business, regardless of location, would place Contractor in a "conflict of interest," as that term is defined in the Political Reform Act, codified at California Government Code Section 81000 *et seq.*

Contractor shall not employ any Agency official in the work performed pursuant to this Agreement. No officer or employee of Agency shall have any financial interest in this Agreement that would violate California Government Code Sections 1090 *et seq.*

13.7 Contract Administrator. This Agreement shall be administered by the Assistant General Manager, Generation Services, or his/her designee, who shall act as the Agency's representative. All correspondence shall be directed to or through the representative.

13.8 Notices. Any written notice to Contractor shall be sent to:

RAM Mechanical, Inc.
Attention: Scott Boyer, GM of Construction
3506 Moore Road
Ceres, CA 95307

Any written notice to Agency shall be sent to:

Randy S. Howard
General Manager
Northern California Power Agency
651 Commerce Drive
Roseville, CA 95678

With a copy to:

Jane E. Luckhardt
General Counsel
Northern California Power Agency
651 Commerce Drive
Roseville, CA 95678

- 13.9 Professional Seal.** Where applicable in the determination of the Agency, the first page of a technical report, first page of design specifications, and each page of construction drawings shall be stamped/sealed and signed by the licensed professional responsible for the report/design preparation.
- 13.10 Integration; Incorporation.** This Agreement, including all the exhibits attached hereto, represents the entire and integrated agreement between Agency and Contractor and supersedes all prior negotiations, representations, or agreements, either written or oral. All exhibits attached hereto are incorporated by reference herein.
- 13.11 Alternative Dispute Resolution.** If any dispute arises between the Parties that cannot be settled after engaging in good faith negotiations, Agency and Contractor agree to resolve the dispute in accordance with the following:
- 13.11.1** Each party shall designate a senior management or executive level representative to negotiate any dispute;
 - 13.11.2** The representatives shall attempt, through good faith negotiations, to resolve the dispute by any means within their authority.
 - 13.11.3** If the issue remains unresolved after fifteen (15) days of good faith negotiations, the Parties shall attempt to resolve the disagreement by negotiation between legal counsel. If the above process fails, the Parties shall resolve any remaining disputes through mediation to expedite the resolution of the dispute.
 - 13.11.4** The mediation process shall provide for the selection within fifteen (15) days by both Parties of a disinterested third person as mediator, shall be commenced within thirty (30) days and shall be concluded within fifteen (15) days from the commencement of the mediation.
 - 13.11.5** The Parties shall equally bear the costs of any third party in any alternative dispute resolution process.
 - 13.11.6** The alternative dispute resolution process is a material condition to this Agreement and must be exhausted as an administrative remedy prior to either Party initiating legal action. This alternative dispute resolution process is not intended to nor shall be construed to change the time periods for filing a claim or action specified by Government Code §§ 900 *et seq.*
- 13.12 Controlling Provisions.** In the case of any conflict between the terms of this Agreement and the Exhibits hereto, a Purchase Order, or Contractor's Proposal (if any), the Agreement shall control. In the case of any conflict between the Exhibits hereto and a Purchase Order or the Contractor's Proposal, the Exhibits shall control. In the case of any conflict between the terms of a Purchase Order and the Contractor's Proposal, the Purchase Order shall control.

13.13 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one agreement.

13.14 Construction of Agreement. Each party hereto has had an equivalent opportunity to participate in the drafting of the Agreement and/or to consult with legal counsel. Therefore, the usual construction of an agreement against the drafting party shall not apply hereto.

13.15 No Third Party Beneficiaries. This Agreement is made solely for the benefit of the parties hereto, with no intent to benefit any non-signator third parties. However, should Contractor provide Work to an Agency member, SCPPA or SCPPA member (collectively for the purpose of this section only "Member") pursuant to Section 1.4, the parties recognize that such Member may be a third party beneficiary solely as to the Purchase Order and Requested Work relating to such Member.

The Parties have executed this Agreement as of the date signed by the Agency.

NORTHERN CALIFORNIA POWER AGENCY

RAM MECHANICAL, INC.

Date_____

Date_____

RANDY S. HOWARD,
General Manager

LUIS CASTANEDA,
Vice President

Attest:

Assistant Secretary of the Commission

Approved as to Form:

Jane E. Luckhardt, General Counsel

EXHIBIT A
SCOPE OF WORK

RAM Mechanical, Inc. ("Contractor") shall provide routine, recurring and usual T&M maintenance services under T&M or other compensation as requested by the Northern California Power Agency ("Agency") at any facilities owned or operated by Agency, NCPA Members, Southern California Public Power Authority (SCPPA) or SCPPA members.

Services to include, but not be limited to the following:

- Piping
- Hydrotesting
- HRSG maintenance
- Catalyst maintenance
- Underground piping maintenance
- Rotating equipment maintenance
- General maintenance
- Outage support
- Troubleshooting
- Miscellaneous steel work

No project under this Agreement shall include Work that would qualify as a Public Works Project under the California Public Contract Code.

EXHIBIT B

COMPENSATION SCHEDULE AND HOURLY FEES

Compensation for all work, including hourly fees and expenses, shall not exceed the amount set forth in Section 2 hereof. The hourly rates and or compensation break down and an estimated amount of expenses is as follows:

Effective	July / 1 / 24	to	June / 30 / 25
Millwrights	Regular	Time+1/2	Double
General Foreman	\$137.00 /hr	\$182.00 /hr	\$227.00 /hr
Foreman	\$132.50 /hr	\$175.00 /hr	\$218.00 /hr
Journeyman	\$123.50 /hr	\$162.50 /hr	\$201.00 /hr
Sheetmetal Workers	Regular	Time+1/2	Double
General Foreman	\$132.50 /hr	\$171.50 /hr	\$211.00 /hr
Foreman	\$130.50 /hr	\$169.00 /hr	\$207.00 /hr
Journeyman	\$121.50 /hr	\$155.50 /hr	\$189.50 /hr
Pipefitters	Regular	Time+1/1	Double
General Foreman	\$153.50 /hr	\$202.00 /hr	\$260.00 /hr
Foreman	\$147.50 /hr	\$193.50 /hr	\$247.00 /hr
Journeyman	\$121.50 /hr	\$155.50 /hr	\$192.00 /hr
Safety Coordinator	Regular	Time+1/2	Double
Coordinator	\$80.00 /hr	\$115.00 /hr	\$149.00 /hr
Administration	Regular	Time+1/2	Double
Coordinator	\$58.00 /hr	\$79.00 /hr	\$97.00 /hr
Shop Support	Regular	Time+1/2	Double
Laborer	\$58.00 /hr	\$79.00 /hr	\$97.00 /hr

Crew makeup subject to applicable union requirements as defined in Master Agreement between contractor and labor union. Labor Rates Include small tools whose value is less than \$400.00. All other tools will be charged at daily, weekly or monthly rates, depending on time required. Any applicable union requirements, such as subsistence and travel pay, will be charged at cost plus 20% overhead- Travel and subsistence apply to areas over 50-miles away from RMI office. All other costs, such as materials, outside rentals and subcontractors will be charged at cost plus 20% overhead and 5% profit.

Pricing for services to be performed at NCPA Member or SCPPA locations will be quoted at the time services are requested.

Upon 30 days advance notice and no more than once each calendar year, Contractor may increase rates for new Purchase Orders. If NCPA does not accept the increased rates, NCPA may terminate this Agreement.

NOTE: As a public agency, NCPA shall not reimburse Contractor for travel, food and related costs in excess of those permitted by the Internal Revenue Service.

EXHIBIT C

CERTIFICATION

Affidavit of Compliance for Contractors

I,

(Name of person signing affidavit)(Title)

do hereby certify that background investigations to ascertain the accuracy of the identity and employment history of all employees of

RAM Mechanical, Inc.

(Company name)

for contract work at:

LODI ENERGY CENTER, 12745 N. THORNTON ROAD, LODI, CA 95242

(Project name and location)

have been conducted as required by the California Energy Commission Decision for the above-named project.

(Signature of officer or agent)

Dated this _____ day of _____, 20 _____.

THIS AFFIDAVIT OF COMPLIANCE SHALL BE APPENDED TO THE PROJECT SECURITY PLAN AND SHALL BE RETAINED AT ALL TIMES AT THE PROJECT SITE FOR REVIEW BY THE CALIFORNIA ENERGY COMMISSION COMPLIANCE PROJECT MANAGER.

NOT APPLICABLE

EXHIBIT D

CERTIFICATION

Affidavit of Compliance for Hazardous Materials Transport Vendors

I, _____,

(Name of person signing affidavit)(Title)

do hereby certify that the below-named company has prepared and implemented security plans in conformity with 49 CFR 172, subpart I and has conducted employee background investigations in conformity with 49 CFR 172.802(a), as the same may be amended from time to time,

(Company name)

for hazardous materials delivery to:

LODI ENERGY CENTER, 12745 N. THORNTON ROAD, LODI, CA 95242

(Project name and location)

as required by the California Energy Commission Decision for the above-named project.

(Signature of officer or agent)

Dated this _____ day of _____, 20 ____.

THIS AFFIDAVIT OF COMPLIANCE SHALL BE APPENDED TO THE PROJECT SECURITY PLAN AND SHALL BE RETAINED AT ALL TIMES AT THE PROJECT SITE FOR REVIEW BY THE CALIFORNIA ENERGY COMMISSION COMPLIANCE PROJECT MANAGER.

EXHIBIT E

**ATTACHMENT A [from MLA]
AGREEMENT TO BE BOUND**

**MAINTENANCE LABOR AGREEMENT ATTACHMENT
LODI ENERGY CENTER PROJECT**

The undersigned hereby certifies and agrees that:

- 1) It is an Employer as that term is defined in Section 1.4 of the Lodi Energy Center Project Maintenance Labor Agreement ("Agreement" solely for the purposes of this Exhibit E) because it has been, or will be, awarded a contract or subcontract to assign, award or subcontract Covered Work on the Project (as defined in Section 1.2 and 2.1 of the Agreement), or to authorize another party to assign, award or subcontract Covered Work, or to perform Covered Work.
- 2) In consideration of the award of such contract or subcontract, and in further consideration of the promises made in the Agreement and all attachments thereto (a copy of which was received and is hereby acknowledged), it accepts and agrees to be bound by the terms and condition of the Agreement, together with any and all amendments and supplements now existing or which are later made thereto.
- 3) If it performs Covered Work, it will be bound by the legally established trust agreements designated in local master collective bargaining agreements, and hereby authorizes the parties to such local trust agreements to appoint trustees and successor trustee to administer the trust funds, and hereby ratifies and accepts the trustees so appointed as if made by the undersigned.
- 4) It has no commitments or agreements that would preclude its full and complete compliance with the terms and conditions of the Agreement.
- 5) It will secure a duly executed Agreement to be Bound, in form identical to this documents, from any Employer(s) at any tier or tiers with which it contracts to assign, award, or subcontract Covered Work, or to authorize another party to assign, award or subcontract Covered Work, or to perform Covered Work.

DATED: _____ Name of Employer _____

(Authorized Officer & Title)

(Address)



Commission Staff Report – *DRAFT*

COMMISSION MEETING DATE: December 5, 2024

SUBJECT: RTS Reliability Testing Services, Inc. – Five Year Multi-Task Consulting Services Agreement for Predictive Maintenance Related Services; Applicable to the following: All Northern California Power Agency (NCPA) Facilities, NCPA Members, Southern California Public Power Authority (SCPPA), and SCPPA Members

AGENDA CATEGORY: Consent

FROM:	Michael DeBortoli	METHOD OF SELECTION:
	Assistant General Manager	N/A
Division:	Generation Services	<i>If other, please describe:</i>
Department:	Combustion Turbines	

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

RECOMMENDATION:

Approve Resolution 24-XX authorizing the General Manager or his designee to enter into a Multi-Task Consulting Services Agreement with RTS Reliability Testing Services, Inc. for predictive maintenance related services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$2,000,000 over five years, for use at any facilities owned and/or operated by NCPA, NCPA Members, by SCPPA and SCPPA Members.

BACKGROUND:

Predictive maintenance related services are required from time to time for the operation and maintenance of facilities owned and/or operated by NCPA, NCPA Members, by SCPPA and SCPPA Members. NCPA desires to enter into this agreement so established terms and conditions are in place should this vendor be the successful bidder on future purchases.

NCPA does not currently have agreements in place for similar services with any other vendors.

FISCAL IMPACT:

Upon execution, the total cost of the agreement is not to exceed \$2,000,000 over five years. Purchase orders referencing the terms and conditions of the agreement will be issued following NCPA procurement policies and procedures.

SELECTION PROCESS:

This enabling agreement does not commit NCPA to any expenditure of funds. At the time services are needed, NCPA will bid the specific scope of work consistent with NCPA procurement policies and procedures. NCPA seeks bids from qualified providers as required. Bids are awarded to the vendor providing the best overall value to NCPA. NCPA will issue purchase orders based on cost and availability of the services needed at the time the service is required.

ENVIRONMENTAL ANALYSIS:

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 of the California Environmental Quality Act. No environmental review is necessary.

COMMITTEE REVIEW:

PENDING COMMITTEE APPROVALS:

AFTER FACILITIES APPROVAL: On November 6, 2024, the Facilities Committee reviewed and endorsed the recommendation above for Commission approval.

AFTER LEC PPC APPROVAL: On November 4, 2024, the Lodi Energy Center Project Participant Committee reviewed and approved the recommendation above for Commission approval.

Respectfully submitted,

RANDY S. HOWARD
General Manager

Attachments (2):

- Resolution 24-XX
- Multi-Task Consulting Services Agreement with RTS Reliability Testing Services, Inc.

RESOLUTION 24-XX

RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY APPROVING A MULTI-TASK CONSULTING SERVICES AGREEMENT WITH RTS RELIABILITY TESTING SERVICES, INC.

(reference Staff Report XXX:24)

WHEREAS, predictive maintenance related services are required from time to time for the operation and maintenance of facilities owned and/or operated by the Northern California Power Agency (NCPA), NCPA Members, by the Southern California Public Power Authority (SCPPA), and SCPPA Members; and

WHEREAS, RTS Reliability Testing Services, Inc. is a provider of these services; and

WHEREAS, the NCPA Commission has reviewed the Multi-Task Consulting Services Agreement with RTS Reliability Testing Services, Inc. to provide such services as needed at any facilities owned and/or operated by NCPA, NCPA Members, by SCPPA, and SCPPA Members; 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 or his designee to enter into said Multi-Task Consulting Services Agreement, with any non-substantial changes as approved by the NCPA General Counsel, which shall not exceed \$2,000,000 over five years, for use at any facilities owned and/or operated by NCPA, NCPA Members, by SCPPA, and SCPPA Members.

PASSED, ADOPTED and APPROVED this ____ day of _____, 2024 by the following vote on roll call:

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

JENELLE OSBORNE
CHAIR

ATTEST:

CARRIE POLLO
ASSISTANT SECRETARY



MULTI-TASK CONSULTING SERVICES AGREEMENT BETWEEN THE NORTHERN CALIFORNIA POWER AGENCY AND RTS RELIABILITY TESTING SERVICES, LLC

This Consulting Services Agreement ("Agreement") is made by and between the Northern California Power Agency, a joint powers agency with its main office located at 651 Commerce Drive, Roseville, CA 95678-6420 ("Agency") and RTS Reliability Testing Services, LLC, an Arkansas limited liability company, with its office located at 1049 Triad Court, Marietta, GA 30062 ("Consultant") (together sometimes referred to as the "Parties") as of December 6, 2024 ("Effective Date") in Roseville, California.

Section 1. SERVICES. Subject to the terms and conditions set forth in this Agreement, Consultant shall provide to Agency the services described in the Scope of Services attached hereto as Exhibit A and incorporated herein ("Services"), at the time and place and in the manner specified therein.

- 1.1 Term of Agreement.** The term of this Agreement shall begin on the Effective Date and shall end when Consultant completes the Services, or no later than five (5) year from the date this Agreement was signed by Agency, whichever is shorter.
- 1.2 Standard of Performance.** Consultant shall perform the Services in the manner and according to the standards observed by a competent practitioner of the profession in which Consultant is engaged and for which Consultant is providing the Services. Consultant represents that it is licensed, qualified and experienced to provide the Services set forth herein.
- 1.3 Assignment of Personnel.** Consultant shall assign only competent personnel to perform the Services. In the event that Agency, in its sole discretion, at any time during the term of this Agreement, requests the reassignment of any such personnel, Consultant shall, immediately upon receiving written notice from Agency of such request, reassign such personnel.
- 1.4 Services Provided.** Services provided under this Agreement by Consultant may include Services directly to the Agency or, as requested by the Agency and consistent with the terms of this Agreement, to Agency members, Southern California Public Power Authority ("SCPPA") or SCPPA members.
- 1.5 Request for Services.** At such time that Agency determines to use Consultant's Services under this Agreement, Agency shall issue a Purchase Order. The Purchase Order shall identify the specific services to be performed ("Requested Services"), may include a not-to-exceed monetary cap on Requested Services and expenditures authorized by that Purchase Order, and a time by which the Requested Services shall be completed. Consultant shall have seven calendar days from the date of the Agency's issuance of the Purchase Order in which to respond in writing that Consultant chooses not to perform the Requested

Services. If Consultant agrees to perform the Requested Services, begins to perform the Requested Services, or does not respond within the seven day period specified, then Consultant will have agreed to perform the Requested Services on the terms set forth in the Purchase Order, this Agreement and its Exhibits.

Section 2. COMPENSATION. Agency hereby agrees to pay Consultant an amount **NOT TO EXCEED** TWO MILLION dollars (\$2,000,000.00) for the Services, which shall include all fees, costs, expenses and other reimbursables, as set forth in Consultant's fee schedule, attached hereto and incorporated herein as Exhibit B. This dollar amount is not a guarantee that Agency will pay that full amount to the Consultant, but is merely a limit of potential Agency expenditures under this Agreement.

2.1 Invoices. Consultant shall submit invoices, not more often than once a month during the term of this Agreement, based on the cost for services performed and reimbursable costs incurred prior to the invoice date. Invoices shall contain the following information:

- The beginning and ending dates of the billing period;
- Services performed;
- The Purchase Order number authorizing the Services;
- At Agency's option, the total number of hours of work performed under the Agreement by Consultant and each employee, agent, and subcontractor of Consultant performing services hereunder; and
- At Agency's option, when the Consultant's Scope of Work identifies tasks, for each work item in each task, a copy of the applicable time entries showing the name of the person doing the work, the hours spent by each person, a brief description of the work, and each reimbursable expense, with supporting documentation, to Agency's reasonable satisfaction.

Invoices shall be sent to:

Northern California Power Agency
651 Commerce Drive
Roseville, California 95678
Attn: Accounts Payable
AcctsPayable@ncpa.com

2.2 Monthly Payment. Agency shall make monthly payments, based on invoices received, for services satisfactorily performed, and for authorized reimbursable costs incurred. Agency shall have thirty (30) days from the receipt of an invoice that complies with all of the requirements above to pay Consultant.

- 2.3 **Payment of Taxes.** Consultant is solely responsible for the payment of all federal, state and local taxes, including employment taxes, incurred under this Agreement.
- 2.4 **Authorization to Perform Services.** The Consultant is not authorized to perform any Services or incur any costs whatsoever under the terms of this Agreement until receipt of written authorization from the Contract Administrator.
- 2.5 **Timing for Submittal of Final Invoice.** Consultant shall have ninety (90) days after completion of its Services to submit its final invoice for the Requested Services. In the event Consultant fails to submit an invoice to Agency for any amounts due within the ninety (90) day period, Consultant is deemed to have waived its right to collect its final payment from Agency.

Section 3. FACILITIES AND EQUIPMENT. Except as set forth herein, Consultant shall, at its sole cost and expense, provide all facilities and equipment that may be necessary to perform the Services.

Section 4. INSURANCE REQUIREMENTS. Before beginning any work under this Agreement, Consultant, at its own cost and expense, shall procure the types and amounts of insurance listed below and shall maintain the types and amounts of insurance listed below for the period covered by this Agreement.

- 4.1 **Workers' Compensation.** If Consultant employs any person, Consultant shall maintain Statutory Workers' Compensation Insurance and Employer's Liability Insurance for any and all persons employed directly or indirectly by Consultant with limits of not less than one million dollars (\$1,000,000.00) per accident.
- 4.2 **Commercial General and Automobile Liability Insurance.**
- 4.2.1 **Commercial General Insurance.** Consultant shall maintain commercial general liability insurance for the term of this Agreement, including products liability, covering any loss or liability, including the cost of defense of any action, for bodily injury, death, personal injury and broad form property damage which may arise out of the operations of Consultant. The policy shall provide a minimum limit of \$2,000,000 per occurrence/\$2,000,000 aggregate. Commercial general coverage shall be at least as broad as ISO Commercial General Liability form CG 0001 (current edition) on "an occurrence" basis covering comprehensive General Liability, with a self-insured retention or deductible of no more than \$100,000. No endorsement shall be attached limiting the coverage.
- 4.2.2 **Automobile Liability.** Consultant shall maintain automobile liability insurance form CA 0001 (current edition) for the term of this Agreement covering any loss or liability, including the cost of defense of any action, arising from the operation, maintenance or use of any vehicle (symbol 1),

whether or not owned by the Consultant, on or off Agency premises. The policy shall provide a minimum limit of \$2,000,000 per each accident, with a self-insured retention or deductible of no more than \$100,000. This insurance shall provide contractual liability covering all motor vehicles and mobile equipment to the extent coverage may be excluded from general liability insurance.

4.2.3 General Liability/Umbrella Insurance. The coverage amounts set forth above may be met by a combination of underlying and umbrella policies as long as in combination the limits equal or exceed those stated.

4.3 Professional Liability Insurance. Not Applicable.

4.4 All Policies Requirements.

4.4.1 Verification of coverage. Prior to beginning any work under this Agreement, Consultant shall provide Agency with (1) a Certificate of Insurance that demonstrates compliance with all applicable insurance provisions contained herein and (2) policy endorsements to the policies referenced in Section 4.2, adding the Agency as an additional insured and declaring such insurance primary in regard to work performed pursuant to this Agreement.

4.4.2 Notice of Reduction in or Cancellation of Coverage. Consultant shall provide at least thirty (30) days prior written notice to Agency of any reduction in scope or amount, cancellation, or modification adverse to Agency of the policies referenced in Section 4.

4.4.3 Higher Limits. If Consultant maintains higher limits than the minimums specified herein, the Agency shall be entitled to coverage for the higher limits maintained by the Consultant.

4.4.4 Additional Certificates and Endorsements. If Consultant provides services to Agency members, SCPPA, and/or SCPPA members pursuant to this Agreement, Consultant shall provide certificates of insurance and policy endorsements, as referenced in Section 4.4.1, naming the specific Agency member, SCPPA or SCPPA member.

4.4.5 Waiver of Subrogation. Consultant agrees to waive subrogation which any insurer of Consultant may acquire from Consultant by virtue of the payment of any loss. Consultant agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation. In addition, the Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of Agency for all work performed by Consultant, its employees, agents and subcontractors.

- 4.5 **Consultant's Obligation.** Consultant shall be solely responsible for ensuring that all equipment, vehicles and other items utilized in the performance of Services are operated, provided or otherwise utilized in a manner that ensures they are and remain covered by the policies referenced in Section 4 during this Agreement. Consultant shall also ensure that all workers involved in the provision of Services are properly classified as employees, agents or independent contractors and are and remain covered by any and all workers' compensation insurance required by applicable law during this Agreement.

Section 5. INDEMNIFICATION AND CONSULTANT'S RESPONSIBILITIES.

- 5.1 **Effect of Insurance.** Agency's acceptance of insurance certificates and endorsements required under this Agreement does not relieve Consultant from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply to any damages or claims for damages whether or not such insurance policies shall have been determined to apply. By execution of this Agreement, Consultant acknowledges and agrees to the provisions of this Section and that it is a material element of consideration.
- 5.2 **Scope.** Consultant shall indemnify, defend with counsel reasonably acceptable to the Agency, and hold harmless the Agency, and its officials, commissioners, officers, employees, agents and volunteers from and against all losses, liabilities, claims, demands, suits, actions, damages, expenses, penalties, fines, costs (including without limitation costs and fees of litigation), judgments and causes of action of every nature arising out of or in connection with any acts or omissions by Consultant, its officers, officials, agents, and employees, except as caused by the sole or gross negligence of Agency. Notwithstanding, should this Agreement be construed as a construction agreement under Civil Code section 2783, then the exception referenced above shall also be for the active negligence of Agency.

Section 6. STATUS OF CONSULTANT.

- 6.1 **Independent Contractor.** Consultant is an independent contractor and not an employee of Agency. Agency shall have the right to control Consultant only insofar as the results of Consultant's Services and assignment of personnel pursuant to Section 1; otherwise, Agency shall not have the right to control the means by which Consultant accomplishes Services rendered pursuant to this Agreement. Notwithstanding any other Agency, state, or federal policy, rule, regulation, law, or ordinance to the contrary, Consultant and any of its employees, agents, and subcontractors providing services under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any and all claims to, any compensation, benefit, or any incident of employment by Agency, including but not limited to eligibility to enroll in the California Public Employees Retirement System (PERS) as an employee of Agency and entitlement to any contribution to be paid by Agency for employer contributions and/or employee contributions for PERS benefits.

Consultant shall indemnify, defend, and hold harmless Agency for the payment of any employee and/or employer contributions for PERS benefits on behalf of Consultant or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of Agency. Consultant and Agency acknowledge and agree that compensation paid by Agency to Consultant under this Agreement is based upon Consultant's estimated costs of providing the Services, including salaries and benefits of employees, agents and subcontractors of Consultant.

Consultant shall indemnify, defend, and hold harmless Agency from any lawsuit, administrative action, or other claim for penalties, losses, costs, damages, expense and liability of every kind, nature and description that arise out of, pertain to, or relate to such claims, whether directly or indirectly, due to Consultant's failure to secure workers' compensation insurance for its employees, agents, or subcontractors.

Consultant agrees that it is responsible for the provision of group healthcare benefits to its fulltime employees under 26 U.S.C. § 4980H of the Affordable Care Act. To the extent permitted by law, Consultant shall indemnify, defend and hold harmless Agency from any penalty issued to Agency under the Affordable Care Act resulting from the performance of the Services by any employee, agent, or subcontractor of Consultant.

- 6.2 Consultant Not Agent.** Except as Agency may specify in writing, Consultant shall have no authority, express or implied, to act on behalf of Agency in any capacity whatsoever as an agent. Consultant shall have no authority, express or implied, pursuant to this Agreement to bind Agency to any obligation whatsoever.
- 6.3 Assignment and Subcontracting.** This Agreement contemplates personal performance by Consultant and is based upon a determination of Consultant's unique professional competence, experience, and specialized professional knowledge. A substantial inducement to Agency for entering into this Agreement was and is the personal reputation and competence of Consultant. Consultant may not assign this Agreement or any interest therein without the prior written approval of the Agency. Consultant shall not subcontract any portion of the performance contemplated and provided for herein, other than to the subcontractors identified in Exhibit A, without prior written approval of the Agency. Where written approval is granted by the Agency, Consultant shall supervise all work subcontracted by Consultant in performing the services and shall be responsible for all work performed by a subcontractor as if Consultant itself had performed such work. The subcontracting of any work to subcontractors shall not relieve Consultant from any of its obligations under this Agreement with respect to the services and Consultant is obligated to ensure that any and all subcontractors performing any services shall be fully insured in all

respects and to the same extent as set forth under Section 4, to Agency's satisfaction.

- 6.4 Certification as to California Energy Commission.** If requested by the Agency, Consultant shall, at the same time it executes this Agreement, execute Exhibit C.

Section 7. LEGAL REQUIREMENTS.

- 7.1 Governing Law.** The laws of the State of California shall govern this Agreement.
- 7.2 Compliance with Applicable Laws.** Consultant and its subcontractors and agents, if any, shall comply with all laws applicable to the performance of the work hereunder.
- 7.3 Licenses and Permits.** Consultant represents and warrants to Agency that Consultant and its employees, agents, and subcontractors (if any) have and will maintain at their sole expense during the term of this Agreement all licenses, permits, qualifications, and approvals of whatever nature that are legally required to practice their respective professions.

Section 8. TERMINATION AND MODIFICATION.

- 8.1 Termination.** Agency may cancel this Agreement at any time and without cause upon ten (10) days prior written notice to Consultant.

In the event of termination, Consultant shall be entitled to compensation for Services satisfactorily completed as of the effective date of termination; Agency, however, may condition payment of such compensation upon Consultant delivering to Agency any or all records or documents, as referenced in Section 9.1 hereof.

- 8.2 Amendments.** The Parties may amend this Agreement only by a writing signed by all the Parties.
- 8.3 Survival.** All obligations arising prior to the termination of this Agreement and all provisions of this Agreement allocating liability between Agency and Consultant shall survive the termination of this Agreement.
- 8.4 Options upon Breach by Consultant.** If Consultant materially breaches any of the terms of this Agreement, including but not limited to those set forth in Section 4, Agency's remedies shall include, but not be limited to, the following:

8.4.1 Immediately terminate the Agreement;

- 8.4.2 Retain the plans, specifications, drawings, reports, design documents, and any other work product prepared by Consultant pursuant to this Agreement;
- 8.4.3 Retain a different consultant to complete the Services not finished by Consultant; and/or
- 8.4.4 Charge Consultant the difference between the costs to complete the Services that is unfinished at the time of breach and the amount that Agency would have paid Consultant pursuant hereto if Consultant had completed the Services.

Section 9. KEEPING AND STATUS OF RECORDS.

- 9.1 **Records Created as Part of Consultant's Performance.** All reports, data, maps, models, charts, studies, surveys, photographs, memoranda, plans, studies, specifications, records, files, or any other documents or materials, in electronic or any other form, that Consultant prepares or obtains pursuant to this Agreement and that relate to the matters covered hereunder shall be the property of the Agency. Consultant hereby agrees to deliver those documents to the Agency upon termination of the Agreement. Agency and Consultant agree that, unless approved by Agency in writing, Consultant shall not release to any non-parties to this Agreement any data, plans, specifications, reports and other documents.
- 9.2 **Consultant's Books and Records.** Consultant shall maintain any and all records or other documents evidencing or relating to charges for Services or expenditures and disbursements charged to the Agency under this Agreement for a minimum of three (3) years, or for any longer period required by law, from the date of final payment to the Consultant to this Agreement.
- 9.3 **Inspection and Audit of Records.** Any records or documents that this Agreement requires Consultant to maintain shall be made available for inspection, audit, and/or copying at any time during regular business hours, upon oral or written request of the Agency. Under California Government Code Section 8546.7, if the amount of public funds expended under this Agreement exceeds ten thousand dollars (\$10,000.00), the Agreement shall be subject to the examination and audit of the State Auditor, at the request of Agency or as part of any audit of the Agency, for a period of three (3) years after final payment under the Agreement.
- 9.4 **Confidential Information and Disclosure.**
 - 9.4.1 **Confidential Information.** The term "Confidential Information", as used herein, shall mean any and all confidential, proprietary, or trade secret information, whether written, recorded, electronic, oral or otherwise,

where the Confidential Information is made available in a tangible medium of expression and marked in a prominent location as confidential, proprietary and/or trade secret information. Confidential Information shall not include information that: (a) was already known to the Receiving Party or is otherwise a matter of public knowledge, (b) was disclosed to Receiving Party by a third party without violating any confidentiality agreement, (c) was independently developed by Receiving Party without reverse engineering, as evidenced by written records thereof, or (d) was not marked as confidential Information in accordance with this section.

9.4.2 Non-Disclosure of Confidential Information. During the term of this Agreement, either party may disclose ("The Disclosing Party") confidential Information to the other party ("the Receiving Party"). The Receiving Party: (a) shall hold the Disclosing Party's Confidential Information in confident; and (b) shall take all reasonable steps to prevent any unauthorized possession, use, copying, transfer or disclosure of such Confidential Information.

9.4.3 Permitted Disclosure. Notwithstanding the foregoing, the following disclosures of Confidential Information are allowed. Receiving Party shall endeavor to provide prior written notice to Disclosing Party of any permitted disclosure made pursuant to Section 9.4.3.2 or 9.4.3.3. Disclosing Party may seek a protective order, including without limitation, a temporary restraining order to prevent or contest such permitted disclosure; provided, however, that Disclosing Party shall seek such remedies at its sole expense. Neither party shall have any liability for such permitted disclosures:

9.4.3.1 Disclosure to employees, agents, consultants, contractors, subcontractors or other representatives of Receiving Party that have a need to know in connection with this Agreement.

9.4.3.2 Disclosure in response to a valid order of a court, government or regulatory agency or as may otherwise be required by law; and

9.4.3.3 Disclosure by Agency in response to a request pursuant to the California Public Records Act.

9.4.4 Handling of Confidential Information. Upon conclusion or termination of the Agreement, Receiving Party shall return to Disclosing Party or destroy Confidential Information (including all copies thereof), if requested by Disclosing Party in writing. Notwithstanding the foregoing, the Receiving Party may retain copies of such Confidential Information, subject to the confidentiality provisions of this Agreement: (a) for archival purposes in its computer system; (b) in its legal department files; and (c) in files of Receiving Party's representatives where such copies are

necessary to comply with applicable law. Party shall not disclose the Disclosing Party's Information to any person other than those of the Receiving Party's employees, agents, consultants, contractors and subcontractors who have a need to know in connection with this Agreement.

Section 10. MISCELLANEOUS PROVISIONS.

- 10.1 Attorneys' Fees.** If a party to this Agreement brings any action, including an action for declaratory relief, to enforce or interpret the provision of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees in addition to any other relief to which that party may be entitled. The court may set such fees in the same action or in a separate action brought for that purpose.
- 10.2 Venue.** In the event that either party brings any action against the other under this Agreement, the Parties agree that trial of such action shall be vested exclusively in the state courts of California in the County of Placer or in the United States District Court for the Eastern District of California.
- 10.3 Severability.** If a court of competent jurisdiction finds or rules that any provision of this Agreement is invalid, void, or unenforceable, the provisions of this Agreement not so adjudged shall remain in full force and effect. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.
- 10.4 No Implied Waiver of Breach.** The waiver of any breach of a specific provision of this Agreement does not constitute a waiver of any other breach of that term or any other term of this Agreement.
- 10.5 Successors and Assigns.** The provisions of this Agreement shall inure to the benefit of and shall apply to and bind the successors and assigns of the Parties.
- 10.6 Conflict of Interest.** Consultant may serve other clients, but none whose activities within the corporate limits of Agency or whose business, regardless of location, would place Consultant in a "conflict of interest," as that term is defined in the Political Reform Act, codified at California Government Code Section 81000 *et seq.*
- Consultant shall not employ any Agency official in the work performed pursuant to this Agreement. No officer or employee of Agency shall have any financial interest in this Agreement that would violate California Government Code Sections 1090 *et seq.*
- 10.7 Contract Administrator.** This Agreement shall be administered by the Assistant General Manager, Generation Services, or his/her designee, who shall act as the

Agency's representative. All correspondence shall be directed to or through the representative.

10.8 Notices. Any written notice to Consultant shall be sent to:

RTS Reliability Testing Services, LLC
Attention: Kevin Nordenstrom
1049 Triad Court
Marietta, GA 30062

Any written notice to Agency shall be sent to:

Randy S. Howard
General Manager
Northern California Power Agency
651 Commerce Drive
Roseville, CA 95678

With a copy to:

Jane E. Luckhardt
General Counsel
Northern California Power Agency
651 Commerce Drive
Roseville, CA 95678

10.9 Professional Seal. Where applicable in the determination of the Agency, the first page of a technical report, first page of design specifications, and each page of construction drawings shall be stamped/sealed and signed by the licensed professional responsible for the report/design preparation.

10.10 Integration; Incorporation. This Agreement, including all the exhibits attached hereto, represents the entire and integrated agreement between Agency and Consultant and supersedes all prior negotiations, representations, or agreements, either written or oral. All exhibits attached hereto are incorporated by reference herein.

10.11 Alternative Dispute Resolution. If any dispute arises between the Parties that cannot be settled after engaging in good faith negotiations, Agency and Consultant agree to resolve the dispute in accordance with the following:

10.11.1 Each party shall designate a senior management or executive level representative to negotiate any dispute;

- 10.11.2** The representatives shall attempt, through good faith negotiations, to resolve the dispute by any means within their authority.
- 10.11.3** If the issue remains unresolved after fifteen (15) days of good faith negotiations, the Parties shall attempt to resolve the disagreement by negotiation between legal counsel. If the above process fails, the Parties shall resolve any remaining disputes through mediation to expedite the resolution of the dispute.
- 10.11.4** The mediation process shall provide for the selection within fifteen (15) days by both Parties of a disinterested third person as mediator, shall be commenced within thirty (30) days and shall be concluded within fifteen (15) days from the commencement of the mediation.
- 10.11.5** The Parties shall equally bear the costs of any third party in any alternative dispute resolution process.
- 10.11.6** The alternative dispute resolution process is a material condition to this Agreement and must be exhausted as an administrative prior to either Party initiating legal action. This alternative dispute resolution process is not intended to nor shall be construed to change the time periods for filing a claim or action specified by Government Code §§ 900 *et seq.*
- 10.12 Controlling Provisions.** In the case of any conflict between the terms of this Agreement and the Exhibits hereto, a Purchase Order, or Consultant's Proposal (if any), the Agreement shall control. In the case of any conflict between the Exhibits hereto and a Purchase Order or the Consultant's Proposal, the Exhibits shall control. In the case of any conflict between the terms of a Purchase Order and the Consultant's Proposal, the Purchase Order shall control.
- 10.13 Counterparts.** This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one agreement.
- 10.14 Construction of Agreement.** Each party hereto has had an equivalent opportunity to participate in the drafting of the Agreement and/or to consult with legal counsel. Therefore, the usual construction of an agreement against the drafting party shall not apply hereto.
- 10.15 No Third Party Beneficiaries.** This Agreement is made solely for the benefit of the parties hereto, with no intent to benefit any non-signator third parties. However, should Consultant provide Services to an Agency member, SCCPA and/or a SCPPA member (collectively for the purposes of this section only "Member") pursuant to section 1.4, the parties recognize that such Member may

be a third party beneficiary solely as to the Purchase Order and Requested Services relating to such Member.

The Parties have executed this Agreement as of the date signed by the Agency.

NORTHERN CALIFORNIA POWER AGENCY

RTS RELIABILITY TESTING SERVICES, LLC

Date_____

Date_____

RANDY S. HOWARD,
General Manager

CHARLES R. SCOTT,
President

Attest:

Assistant Secretary of the Commission

Approved as to Form:

Jane E. Luckhardt, General Counsel

EXHIBIT A

SCOPE OF SERVICES

RTS Reliability Testing Services, LLC ("Consultant") shall provide predictive maintenance testing services as requested by the Northern California Power Agency ("Agency") at any facilities owned or operated by Agency, NCPA Members, Southern California Public Power Authority (SCPPA) or SCPPA Members.

Services to include, but not be limited to the following:

- Vibration Testing
- On-Line/Off-Line Motor Analysis
- Infrared Thermographic Imaging
- Airborne Ultrasonic Testing
- Corona Survey
- Lubrication Oil Analysis
- Transformer Oil Analysis
- SF6 Gas Analysis
- Generator & Generator Step Up Transformer Partial Discharge Analysis
- PdM Testing Reporting

List of Subcontractors include the following:

- Industrial Tests, Inc.
- SDMyers, LLC
- Sam Hobson, Inc.
- KenMar

No services under this Agreement shall include Work that would qualify as a Public Works Project under the California Public Contract Code.

EXHIBIT B

COMPENSATION SCHEDULE AND HOURLY FEES

Compensation for all tasks, including hourly fees and expenses, shall not exceed amount as set forth in Section 2 of this Agreement. The hourly rates and or compensation break down and an estimated amount of expenses is as follows:

Specific Pricing for CT Facilities for the predictive maintenance testing services specified in Consultant's proposal dated September 11, 2024, submitted in response to the request for proposals for the CT facilities:

Lodi Energy Center:	\$94,188 annually, billed at \$7,849 monthly
CT2 Stig:	\$23,512 annually, billed at \$11,756 semi-annually
CT1 Lodi:	\$13,192 annually, billed at \$6,596 semi-annually
CT1 Alameda:	\$19,316 annually, billed at \$9,658 semi-annually

If additional work is needed outside of the standard scope of predictive maintenance testing services, the pricing will be agreed upon prior to the time a Purchase Order is issued.

Pricing for services to be performed at NCPA Member or SCPA locations will be quoted at the time services are requested.

NOTE: As a public agency, NCPA shall not reimburse Consultant for travel, food and related costs in excess of those permitted by the Internal Revenue Service.

EXHIBIT C

CERTIFICATION

Affidavit of Compliance for Contractors

I, _____
(Name of person signing affidavit)(Title)

do hereby certify that background investigations to ascertain the accuracy of the identity and employment history of all employees of

RTS Reliability Testing Services, LLC
(Company name)

for contract work at:

LODI ENERGY CENTER, 12745 N. THORNTON ROAD, LODI, CA 95242

(Project name and location)

have been conducted as required by the California Energy Commission Decision for the above-named project.

(Signature of officer or agent)

Dated this _____ day of _____, 20 _____.

THIS AFFIDAVIT OF COMPLIANCE SHALL BE APPENDED TO THE PROJECT SECURITY PLAN AND SHALL BE RETAINED AT ALL TIMES AT THE PROJECT SITE FOR REVIEW BY THE CALIFORNIA ENERGY COMMISSION COMPLIANCE PROJECT MANAGER.



Commission Staff Report – *DRAFT*

COMMISSION MEETING DATE: December 5, 2024

SUBJECT: Preliminary Studies & Investigations (PS&I) Request – NCPA Battery Energy Storage System (BESS) Sites; Applicable to the following: All Northern California Power Agency (NCPA) Members.

AGENDA CATEGORY: Discussion/Action

FROM:	Michael DeBortoli	METHOD OF SELECTION:
	Assistant General Manager	N/A
Division:	Generation Services	<i>If other, please describe:</i>
Department:	Generation Services	

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

Approve Resolution 24-XX for Commission approval of a Preliminary Studies & Investigations (PS&I) request to investigate possible sites for a future battery energy storage system (BESS) project, and authorizing the General Manager or his designee to award bids, execute agreements, and to issues purchase orders for the request, in accordance with NCPA's purchasing policies and procedures, without further approval by the Commission, for an amount not to exceed \$200,000, and authorizing the funds to come from the PS&I Budget Account.

BACKGROUND:

On March 23, 2023, the NCPA Commission directed NCPA staff to establish a Preliminary Studies and Investigations (PS&I) budget account to fund activities associated with researching and/or evaluating new projects that may be of interest to NCPA Members. On April 25, 2024, the NCPA Commission approved a Preliminary Studies and Investigations Procedure (GS-201), which detailed the process for utilizing funds from the PS&I budget account.

NCPA has identified multiple parcels for sale which could be favorable for a future battery energy storage system (BESS) project. These parcels are favorable due to proximity to NCPA's Transmission Assets. At this stage, the evaluation is not a financial model or any other objective measure. The evaluation is purely subjective and conceptual in nature.

As required per the PS&I Procedure (GS-201), NCPA is now seeking a recommendation from the Commission for approval to complete a preliminary investigation of the potential sites using funds from the PS&I budget account.

FISCAL IMPACT:

The total cost of the above proposed preliminary investigation is anticipated not to exceed \$200,000, to be funded from the PS&I budget account. The PS&I Procedure (GS-201) requires that NCPA seek Commission approval to utilize funds from this budget account. The PS&I fund account has a current balance of \$300,000.

SELECTION PROCESS:

Upon approval to move forward with the proposed preliminary investigation, NCPA will bid the specific scope of work consistent with NCPA procurement policies and procedures. NCPA will issue purchase orders based on cost and availability of the services needed at the time the services are required.

ENVIRONMENTAL ANALYSIS:

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.

COMMITTEE REVIEW:

PENDING COMMITTEE APPROVALS:

On November 6, 2024, the Facilities Committee reviewed and endorsed the recommendation above for Commission approval.

Respectfully submitted,

RANDY S. HOWARD
General Manager

Attachments (1):

- Resolution 24-XX

RESOLUTION 24-XX

RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY APPROVING THE PRELIMINARY STUDIES AND INVESTIGATIONS (PS&I) REQUEST TO INVESTIGATE SITE FOR FUTURE BATTERY ENERGY STORAGE SYSTEM (BESS)

(reference Staff Report XXX:24)

WHEREAS, on March 23, 2023, the NCPA Commission directed NCPA staff to establish a Preliminary Studies and Investigations (PS&I) budget account to fund activities associated with researching and/or evaluating new projects that may be of interest to NCPA Members; and

WHEREAS, on April 25, 2024, the NCPA Commission approved a Preliminary Studies and Investigations Procedure (GS-201), which detailed the process for utilizing funds from the PS&I budget account; and

WHEREAS, NCPA has identified multiple parcels for sale which could be favorable for a future battery energy storage system (BESS) project; and

WHEREAS, NCPA is seeking approval to complete a preliminary investigation of the potential sites using funds from the PS&I budget account. This evaluation is not a financial model or any other objective measure, and is purely speculative and conceptual in nature; 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 approves the Preliminary Studies & Investigations (PS&I) request to investigate possible sites for a future battery energy storage system (BESS) project, and authorizes the General Manager or his designee to award bids, execute agreements, and to issues purchase orders for the request, in accordance with NCPA's purchasing policies and procedures, without further approval by the Commission, for an amount not to exceed \$200,000, and authorizes the funds to come from the PS&I Budget Account.

PASSED, ADOPTED and APPROVED this ____ day of _____, 2024 by the following vote on roll call:

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

JENELLE OSBORNE
CHAIR

ATTEST:

CARRIE POLLO
ASSISTANT SECRETARY



Commission Staff Report – *DRAFT*

COMMISSION MEETING DATE: December 5, 2024

SUBJECT: McKay's Point Diversion Dam 17kv Distribution Fire Hardening Project; Applicable to the following: The Northern California Power Agency (NCPA) Hydroelectric Facility

AGENDA CATEGORY: Discussion/Action

FROM:	Michael DeBortoli	METHOD OF SELECTION:
	Assistant General Manager	<i>Competitive Pricing Process</i>
Division:	Generation Services	<i>If other, please describe:</i>
Department:	Hydroelectric	

IMPACTED MEMBERS:		
All Members	<input type="checkbox"/>	City of Lodi <input checked="" type="checkbox"/>
Alameda Municipal Power	<input checked="" type="checkbox"/>	City of Lompoc <input checked="" type="checkbox"/>
San Francisco Bay Area Rapid Transit	<input type="checkbox"/>	City of Palo Alto <input checked="" type="checkbox"/>
City of Biggs	<input type="checkbox"/>	City of Redding <input type="checkbox"/>
City of Gridley	<input type="checkbox"/>	City of Roseville <input checked="" type="checkbox"/>
City of Healdsburg	<input checked="" type="checkbox"/>	City of Santa Clara <input checked="" type="checkbox"/>
		City of Shasta Lake <input type="checkbox"/>
		City of Ukiah <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>		
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RECOMMENDATION:

Approve Resolution 24-XX authorizing the McKay's Point Diversion Dam 17kv Distribution Fire Hardening Project and delegating authority to the General Manager or his designee to award bids, execute agreements, and to issue purchase orders for the project in accordance with NCPA purchasing policies and procedures, without further approval by the Commission, for a total not to exceed amount of \$730,000, and authorizing \$730,000 from the approved FY25 Hydroelectric Budget to fund the project. A DOE 247 Award No. 3088-1586 grant funding award has been issued and if any collections are received, funds will be refunded during the final settlements for the fiscal year they were received.

BACKGROUND:

NCPA operates the North Fork Stanislaus Hydroelectric Project (FERC Project No. 2409), which NCPA constructed in the late 1980's. One of the project features is the McKay's Point Diversion Dam 17kv Distribution line that powers McKays and Beaver Creek Diversion systems.

This 17kv distribution line is located within the CPUC's Tier 3 boundary, which indicates an extreme risk of fire from overhead power lines. The overhead section is 30 years old and constructed with wooden poles and bare wire conductors. The easement is located on private land and is 30ft wide (15ft either side of centerline). Replacing the wooden poles with steel poles and replacing the bare conductors with covered conductors reduces the risk of a fire. The site work is scheduled to be completed by June 2025.

FISCAL IMPACT:

The total cost for engineering, design, maintenance services and permits for the Project is anticipated not to exceed \$730,000. Funds for the Project were included in the approved FY25 Hydroelectric budget.

Estimated Cost Breakdown:

Engineering / inspection services	\$75,000
Labor & materials	\$490,000
Environmental Inspections	\$16,000
Biological pre-work survey	\$15,000
Contingency (22%)	\$134,000
Total	\$730,000

SELECTION PROCESS:

NCPA is currently preparing to solicit competitive bids from multiple vendors to perform the work required for this project. NCPA will bid the specific scope of work consistent with NCPA procurement policies and procedures. NCPA will issue purchase orders based on cost and availability of the services needed at the time the service is required. Bids will be due on November 15, 2024.

ENVIRONMENTAL ANALYSIS:

These activities for the McKay's Point Diversion Dam 17kv Distribution Fire Hardening Project are exempt from the provision of the California Environmental Quality Act (CEQA) pursuant to Sections 15301(b)(d), and 15302 (c) of the Guideline (Classes 1, 2) which exempts public owned electric utilities from the provisions of the California Environmental Quality Act. This project consists of replacement of the existing power poles and conductors which is routine, recurring maintenance to existing equipment and facilities and conforms to this exemption. A Notice of Exemption for this type of work was approved by the NCPA Commission and filed with Calaveras County on March 27, 2014.

The McKay's Point Diversion Dam 17kv Distribution Fire Hardening Project does not require permits from various Agencies for these maintenance activities. The Federal Energy Regulatory Commission (FERC) reviewed the proposed maintenance work and concluded that their authorization is not required. Biological and wildlife surveys may be required depending on the time of year the on-site work is performed.

COMMITTEE REVIEW:

Pending Committee review and approval.

AFTER FACILITIES APPROVAL: The recommendation was reviewed by the Facilities Committee on November 6, 2024, and was recommended for Commission approval.

Respectfully submitted,

RANDY S. HOWARD
General Manager

Attachments (1):

- Resolution 24-XX

RESOLUTION 24-XX

RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY APPROVING THE MCKAYS'S POINT DIVERSION DAM 17KV DISTRIBUTION FIRE HARDENING PROJECT

(reference Staff Report #XXX:24)

WHEREAS, the Northern California Power Agency (NCPA) operates and maintains the McKay's Point Diversion Dam 17kv distribution feeder on behalf of the project participants in the North Fork Stanislas River Hydroelectric Development Project; and

WHEREAS, the overhead section of this 17kv distribution feeder is over 30 years old and located within the CPUC's Tier 3 boundary. The current overhead 17kv is constructed of wooden poles and bare conductor which are susceptible to wildfire. The instillation of steel poles with covered conductor will reduce the risk of failure due to wildfire and reduce the risk of starting a fire due to tree contact; and

WHEREAS, NCPA is currently preparing to solicit competitive bids from multiple vendors to perform the maintenance work required for this Project; and

WHEREAS, the proposed activities of the McKay's Point Diversion Dam 17kv Distribution Fire Hardening Project are exempt from the provision of the California Environmental Quality Act (CEQA) pursuant to Sections 15301(b)(d), and 15302 (c) of the Guideline (Classes 1, 2) which exempts public owned electric utilities from the provisions of the California Environmental Quality Act. This project consists of replacement of the existing power poles and conductors which is routine, recurring maintenance to existing equipment and facilities and conforms to this exemption. A Notice of Exemption for this type of work was approved by the NCPA Commission and filed with Calaveras County on March 27, 2014; and

WHEREAS, the McKay's Point Diversion Dam 17kv Distribution Fire Hardening Project does not require permits from various Agencies for approval. The Federal Energy Regulatory Commission (FERC) reviewed the proposed maintenance work and concluded that their authorization is not required. Biological and wildlife surveys may be required depending on the time of year the on-site work is performed; and

NOW, THEREFORE BE IT RESOLVED, that the Commission of the Northern California Power Agency authorizes the McKay's Point Diversion Dam 17kv Distribution Fire Hardening Project and delegates authority to the General Manager or his designee to award bids, execute agreements, and to issue purchase orders for the project in accordance with NCPA Purchasing Policies and Procedures, without further approval by the Commission, for a total not to exceed amount of \$730,000, and approval of these funds to come from the approved FY25 Hydroelectric Budget. A DOE 247 Award No. 3088-1586 grant funding award has been issued and, if any collections are received, funds will be refunded during the final settlements for the fiscal year they were received.

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PASSED, ADOPTED and APPROVED this ____ day of _____, 2024, by the following vote on roll call:

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

JENELLE OSBORNE
CHAIR

ATTEST: _____
CARRIE POLLO
ASSISTANT SECRETARY