



12745 N. Thornton Road
Lodi, CA 95242

phone (209) 333-6370
fax (209) 333-6374
web www.ncpa.com

LEC PPC Agenda

Date: March 08, 2019
Subject: March 11, 2019 Lodi Energy Center Project Participant Committee Meeting
Location: 12745 N. Thornton Road, Lodi, CA and/or Posted Teleconference Locations
Time: 10:00 AM

*** In compliance with the Brown Act, you may participate in person at the meeting location or via teleconference at one of the locations listed below. In either case, please: (1) post this notice at a publicly accessible location at the participation location at least 72-hours before the meeting begins, and (2) have a speaker phone available for any member of the public who may wish to attend at your location.

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NCPA 651 Commerce Drive Roseville, CA 95678	NCPA 12745 N. Thornton Road Lodi, CA 95241	CITY OF HEALDSBURG 401 Grove Street Healdsburg, CA 95448
BAY AREA RAPID TRANSIT 300 Lakeside Drive, 16 th Floor Oakland, CA 94612	CITY OF GRIDLEY 685 Kentucky Street Gridley, CA 95948	CITY OF LOMPOC 100 Civic Center Plaza Lompoc, CA 93438
CITY OF BIGGS 465 "C" Street Biggs, CA 95917	PLUMAS-SIERRA RURAL ELECTRIC COOP 73233 Highway 70 Portola, CA 96122	POWER & WATER RESOURCES POOLING AUTHORITY 106 Polo Rd Glenwood Springs, CO 81601
CALIFORNIA DEPARTMENT OF WATER RESOURCES 2135 Butano Drive, Suite 100 Sacramento, CA 95825	SILICON VALLEY POWER/CITY OF SANTA CLARA 881 Martin Avenue Santa Clara, CA 95050	CITY OF UKIAH 300 Seminary Avenue Ukiah, CA 95482
CITY OF AZUSA 729 N. Azusa Avenue Azusa, CA 91702		

Persons requiring accommodations in accordance with the Americans with Disabilities Act in order to attend or participate in this meeting are requested to contact the NCPA Secretary at 916.781.3636 in advance of the meeting to arrange for such accommodations.

The Lodi Energy Center Project Participant Committee may take action on any of the items listed on this Agenda regardless of whether the matter appears on the Consent Calendar or is described as an action item, a report, or an information item. If this Agenda is supplemented by staff reports, they are available to the public upon written request. Pursuant to California Government Code Section 54957.5, the following is the location at which the public can view Agendas and other public writings: NCPA, 651 Commerce Drive, Roseville, CA or www.ncpa.com

1. Review Safety Procedures

2. Call Meeting to Order and Roll Call

PUBLIC FORUM

Any member of the public who desires to address the Lodi Energy Center Project Participant Committee on any item considered by the Lodi Energy Center Project Participant Committee at this meeting, before or during the Committee's consideration of that item, shall so advise the Chair and shall thereupon be given an opportunity to do so. Any member of the public who desires to address the Lodi Energy Center Project Participant Committee on any item within the jurisdiction of the Lodi Energy Center Project Participant Committee and not listed on the Agenda may do so at this time.

3. Meeting Minutes – Approval of February 11, 2019 Regular Meeting Minutes

MONTHLY REPORTS

4. Operational Report for February 2019 – (Jeremy Lawson)

5. Market Data Report for February 2019– Verbal Report (Zakary Liske)

6. Monthly Asset Report for January 2019 – (Michael DeBortoli)

7. Bidding Strategies Report – Verbal Report and update regarding bidding strategies and regulation down revenues (Jesse Shields/Ken Goeke)

CONSENT CALENDAR

All items on the Consent Calendar are considered routine and will be approved without discussion by a single roll call vote. Any Project Participant or member of the public may remove any item from the Consent Calendar. If an item is removed, it will be discussed separately following approval of the remainder of the Consent Calendar. Prior to the roll call vote to approve the Consent Calendar, the Participants will be polled to determine if any Participant wishes to abstain from one or more items on the Consent Calendar.

8. Treasurer's Report for February 2019 – Accept by all Participants

9. Financial Report for February 2019 – Approve by all Participants

10. GHG Reports (excerpted from Monthly ARB) – Accept by all Participants

Persons requiring accommodations in accordance with the Americans with Disabilities Act in order to attend or participate in this meeting are requested to contact the NCPA Secretary at 916.781.3636 in advance of the meeting to arrange for such accommodations.

11. Allied Power Group LLC MTGSA-EMS – Staff is seeking a recommendation for approval of a five-year Multi-Task General Services Agreement and Agreement for Purchase of Equipment, Materials and Supplies with Allied Power Group, LLC for inspection and maintenance services, with a not to exceed amount of \$2,000,000, for use at all facilities owned and/or operated by NCPA, its Members, SCPPA, and SCPPA Members.

12. Drill Tech Drilling & Shoring, Inc. MTGSA – Staff is seeking a recommendation for approval of a five-year Multi-Task General Services Agreement with Drill Tech Drilling & Shoring, Inc. for inspection and maintenance services, with a not to exceed amount of \$1,000,000, for use at all facilities owned and/or operated by NCPA, its Members, SCPPA, and SCPPA Members

BUSINESS ACTION ITEMS

NONE

CLOSED SESSION

13. Conference with Legal Counsel – Existing litigation pursuant to California Government Code Section 54956.9(d)(1): One case:

- a. Pacific Gas and Electric Company's (U 39 G) 2019 Gas Transmission and Storage Rate Case, *Application of Pacific Gas and Electric Company Proposing Cost of Service and Rates for Gas Transmission and Storage Services for the Period 2019 – 2021*, California Public Utilities Commission Application 17-11-009 (filed November 17, 2017).

INFORMATIONAL/ DISCUSSION ITEMS

14. FY2020 Budget Presentation – Staff to present a draft of the FY2020 budget for further Committee review.

15. Additional Operational Updates – Staff will provide an update on issues related to Operations.

ADJOURNMENT

Next Regular Meeting: Monday April 08, 2019

Persons requiring accommodations in accordance with the Americans with Disabilities Act in order to attend or participate in this meeting are requested to contact the NCPA Secretary at 916.781.3636 in advance of the meeting to arrange for such accommodations.



651 Commerce Drive
Roseville, CA 95678

phone (916) 781-3636
fax (916) 783-7693
web www.ncpa.com

LEC PPC Meeting Minutes

Date: February 11, 2019

Time: 10:00 a.m.

Location: Lodi Energy Center – 12745 N. Thornton Rd, Lodi, CA 95242 and by teleconference

Subject: Lodi Energy Center Project Participant Committee Meeting

1. Call Meeting to Order and Roll Call

The PPC meeting was called to order at 10:03 a.m. by Chairman Martin Caballero. He asked that roll be called for the Project Participants as listed below.

PPC Meeting Attendance Summary		
Participant	Attendance	Particulars / GES
Azusa - Robledo	Present	2.7857%
BART - Lloyd	Absent	6.6000%
Biggs - Sorenson	Present	0.2679%
CDWR - Alqaser	Present	33.5000%
Gridley - Borges	Present	1.9643%
Healdsburg - Crowley	Absent	1.6428%
Lodi - Chiang	Present	9.5000%
Lompoc - Singh	Absent	2.0357%
MID - Caballero	Present	10.7143%
Plumas-Sierra - Brozo	Absent	0.7857%
PWRPA - Bradley	Present	2.6679%
SVP - Hance	Present	25.7500%
Ukiah - Grandi	Absent	1.7857%
Summary		
Present	8	87.1501%
Absent	5	12.8499%
Quorum by #:	Yes	
Quorum by GES:	Yes	
Meeting Date:	February 11, 2019	

Public Forum

Chairman Caballero asked if any members of the public were present in Lodi or at any of the other noticed meeting locations who would like to address the PPC on any agenda items or on any item within the jurisdiction of the LEC PPC and not listed on the agenda. No members of the public were present.

2. Meeting Minutes

The draft minutes from the January 7, 2019 Regular Meeting were considered. The LEC PPC considered the following motion:

Date: 2/11/2019

Motion: The PPC approves the minutes from the January 7, 2019 Regular Meeting as presented or *including any edits discussed at today's meeting.*

Moved by: CDWR

Seconded by: SVP

Discussion: There was no further discussion.

Vote Summary on Motion		
Participant	Vote	Particulars / GES
Azusa	Yes	2.7857%
BART	Absent	6.6000%
Biggs	Yes	0.2679%
CDWR	Yes	33.5000%
Gridley	Absent	1.9643%
Healdsburg	Absent	1.6428%
Lodi	Yes	9.5000%
Lompoc	Absent	2.0357%
Modesto	Yes	10.7143%
Plumas-Sierra	Absent	0.7857%
PWRPA	Yes	2.6679%
Silicon Valley Power	Yes	25.7500%
Ukiah	Absent	1.7857%
Vote Summary		
Total Ayes	7	85.1858%
Total Noes	0	0.0000%
Total Abstain	0	0.0000%
Total Absent	6	14.8142%
Result:		The motion passes

MONTHLY REPORTS

3. Operational Reports for January 2019

Jeremy Lawson presented the Operational Report for January 2019. There were no OSHA recordable accidents, no NERC/WECC or permit violations, and no forced outages. There are no changes to the 2018 outage schedule. Work is scheduled for February 17th – 19th to address and issue with the expansion joint failing. The expansion joint was upgraded 2-3 years ago, but is now failing. The cause is to be determined. There were no other changes to the current outage schedule.

The operational report reflected monthly production of 146,025 MWH, 544 service hours, and equivalent operating availability of 100%. The report set for the Capacity Factor @ 302MW Pmax of 65%. There were 7 hot starts, 12 warm starts, and zero cold starts during the month.

4. Market Data Report for January 2019

Zakary Liske presented the operating and financial settlement results for the month. LEC was committed to CAISO 31 out of 31 available days. Zakary reviewed the RAIM incentive payments for the month. Most startups were for 6-11 hour runs, with twenty-four 24-hour runs in the month of January.

5. Monthly Asset Report

Mike DeBortoli presented the monthly asset report for December 2018. Mike reported that energy prices were lower than forecast, with fuel prices higher than anticipated, resulting in the plant running less than forecast. Mike did not have the asset report charts available, and will distribute them to the participants later in the afternoon.

6. Bidding Strategies Report

Ken Goeke presented the Bidding Strategies Report for January 2019. Ken mentioned that they had discontinued the long-term maintenance adder. Ken reviewed bidding and calculating net start-up costs. Ken also reviewed DA and RT net revenues over the month with the Committee.

Consent Calendar (Items 7 – 17)

The consent calendar was considered. Chairman Caballero asked if any Participant wished to have any item removed for separate discussion. Hearing no requests, he then asked if any Participant wished to abstain from one or more items on the Consent Calendar. There were no abstentions. The LEC PPC considered the following motion:

Date:

2/11/2019

Motion:

The PPC approves the Consent Calendar items consisting of agenda items no. **7.** Treasurer's Report for December 2018 and January 2019; **8.** Financial

Report for January 2019; **9.** GHG Reports (excerpted from Monthly ARB); **10.** North American Substation Services, LLC MTGSA not to exceed \$1,000,000 for transformer services, for use at all facilities owned and/or operated by NCPA, its Members, SCPPA, and SCPPA Members; **11.** Fremouw Environmental Services, Inc. MTGSA not to exceed \$3,000,000 for waste removal services, for use at all facilities owned and/or operated by NCPA; **12.** Valley Power Systems North, Inc. MTGSA not to exceed \$500,000 for fire pump maintenance services, for use at all facilities owned and/or operated by NCPA, its Members, SCPPA, and SCPPA Members; **13.** Bayside Insulation & Construction, Inc. MTGSA not to exceed \$500,000 for insulation services, for use at all facilities owned and/or operated by NCPA, its Members, SCPPA, and SCPPA Members; **14.** K.S. Dunbar & Associates, Inc. MTGSA not to exceed \$1,000,000 for NEPA and CEQA consulting services, for use at all facilities owned and/or operated by NCPA, its Members, SCPPA, and SCPPA Members; **15.** Hart High Voltage Apparatus Repairs and Testing Co., Inc. First Amendment to MTGSA not to exceed \$2,700,000 for use at all facilities owned and/or operated by NCPA, its Members, SCPPA, and SCPPA Members; **16.** Brian Davis dba Northern Industrial Construction First Amendment to MTGSA not to exceed \$2,000,000 for use at all facilities owned and/or operated by NCPA, its Members, SCPPA, and SCPPA Members; **17.** LEC PMOA Schedule 1, Exhibit 5 - CAISO Charges update

Moved by:
Seconded by:

Lodi
CDWR

Discussion: There was no further discussion.

Vote Summary on Motion		
Participant	Vote	Particulars / GES
Azusa	Yes	2.7857%
BART	Absent	6.6000%
Biggs	Yes	0.2679%
CDWR	Yes	33.5000%
Gridley	Yes	1.9643%
Healdsburg	Absent	1.6428%
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Modesto	Yes	10.7143%
Plumas-Sierra	Absent	0.7857%
PWRPA	Yes	2.6679%
Silicon Valley Power	Yes	25.7500%
Ukiah	Absent	1.7857%
Vote Summary		
Total Ayes	8	87.1501%
Total Noes	0	0.0000%

Total Abstain	0	0.0000%
Total Absent	5	12.8499%
Result:	Motion Passes	

BUSINESS ACTION ITEMS

None

CLOSED SESSION

18. Adjourned to Closed Session

Ken Speer and Jane Luckhardt did not have any updates at this time, so the Committee did not adjourn to Closed Session.

INFORMATIONAL ITEMS

19. Siemens Upgrade Options

Mike reviewed the features and benefits of the Siemens hybrid rotor. Mike shared a table with the Committee which summarized the 3-year life and 10-year life. At this time, staff is not recommending that we move forward with upgrading to the hybrid rotor. Staff will continue to monitor the data, and if capacity values change on the hybrid rotors, they may revisit the idea in the future.

Ghassan Alqaser asked whether the hybrid rotor would impact ramp rates. Mike responded that the unit could ramp faster, but that there would not be a lot of added value or impact on flexible RA. Mike will reach out directly to Ghassan to discuss further, and will report back to the Committee with a summary of their discussion.

20. Additional Operational Updates

There were no additional operational updates at this time.

Adjournment

The next regular meeting of the PPC is scheduled for Monday, March 11, 2019 at 10:00 a.m.

The meeting was adjourned at 10:35 a.m.

Submitted by: Michelle Schellentrager

Lodi Energy Center Project Participant Committee

Operational Report

Agenda Item No.: 3

Date: 03/11/2019

To: Lodi Energy Center Project Participant Committee

Safety

- OSHA Recordable: 0 Accidents.

Notice of Violations

- Permits: 0 Violations Issued.
- NERC/WECC: 0 Violations Issued.

Outage Summaries:

- 2/16,17,19,20 ended 1400 - LEC o/s for exhaust expansion joint repair OMS 6946727
- 2/22 19:48 - LEC auto unloaded due to control system digital input card failure. Returned to service at 2/23 03:00.

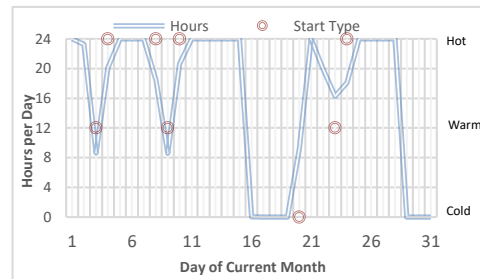
Planned Outage Summaries:

- 2019 April – Generator Inspections, Main Transformer Inspections, and DCS Upgrade
- 2021/2022 CT – Major Inspection (6 weeks outage)

Generating Unit Statistics:**Date:**

2/1/2019

1. Monthly Production	133,893	MWH
2. Productivity Factor		
a. Service Hours	499	Hours
b. Service Factor	74.3%	%
c. Capacity Factor @ 302MW Pmax	66.0	%
3. Equivalent Operating Availability (EOA)	87.2	%
4. Forced Outage Rate (FOR)	14.7	%



5. Heat Rate Deviation

a. Fuel Cost (Not Current Market Price)

4.00 \$/mmBTU

MW Range	PMOA HR BTU/kW- Hr	Average HR BTU/kW-Hr	Deviation %	Production MWH	Cost \$
Seg. 1 296 +	6850	0	0.00%	0	\$0
Seg. 2 284 - 296	6870	6,956	1.26%	74,835	\$25,810
Seg. 3 275 - 284	6971	6,971	0.00%	29,574	-\$37
Seg. 4 250 - 275	7081	7,000	-1.14%	13,415	-\$4,323
Seg. 5 225 - 250	7130	7,096	-0.47%	7,235	-\$975
Seg. 6 200 - 225	7200	7,196	-0.05%	5,112	-\$74
Seg. 7 175 - 225	7450	7,523	0.98%	1,626	\$477
Seg. 8 165 - 175	7760	7,719	-0.53%	864	-\$141
	7,164	7,209	-0.20%	132,662	\$20,736

6. AGC Control Deviation

MW Range	High Dev MWH	Low Dev MWH	Total Dev MWH	Cost \$
Seg. 1 296 +	0	0	0	\$0
Seg. 2 284 - 296	267	-12	279	\$7,761
Seg. 3 275 - 284	26	-365	391	\$10,890
Seg. 4 250 - 275	45	-127	172	\$4,805
Seg. 5 225 - 250	36	-14	51	\$1,434
Seg. 6 200 - 225	27	-24	51	\$1,460
Seg. 7 175 - 225	11	-28	39	\$1,185
Seg. 8 165 - 175	3	-2	5	\$154
	415	-571	987	\$27,689

7. Starting Reliability

Start Type	Hot Starts	Warm Starts	Cold Starts
Number of Starts	4	3	1
Start Time Benchmark (Minutes)	75	110	200
Start Time Actual (Average Minute)	61	182	191
Start Time Deviation (%)	-18%	65%	-5%
Start Fuel Benchmark PMOA (mmBTU)	1,300	1,800	3,500
Start Fuel Actual (Average mmBTU)	1,074	1,581	3,824
Fuel Deviation (%)	-17%	-12%	9%
Costs of Fuel Deviations (\$)	-\$3,619	-\$2,630	\$1,296

Definitions:

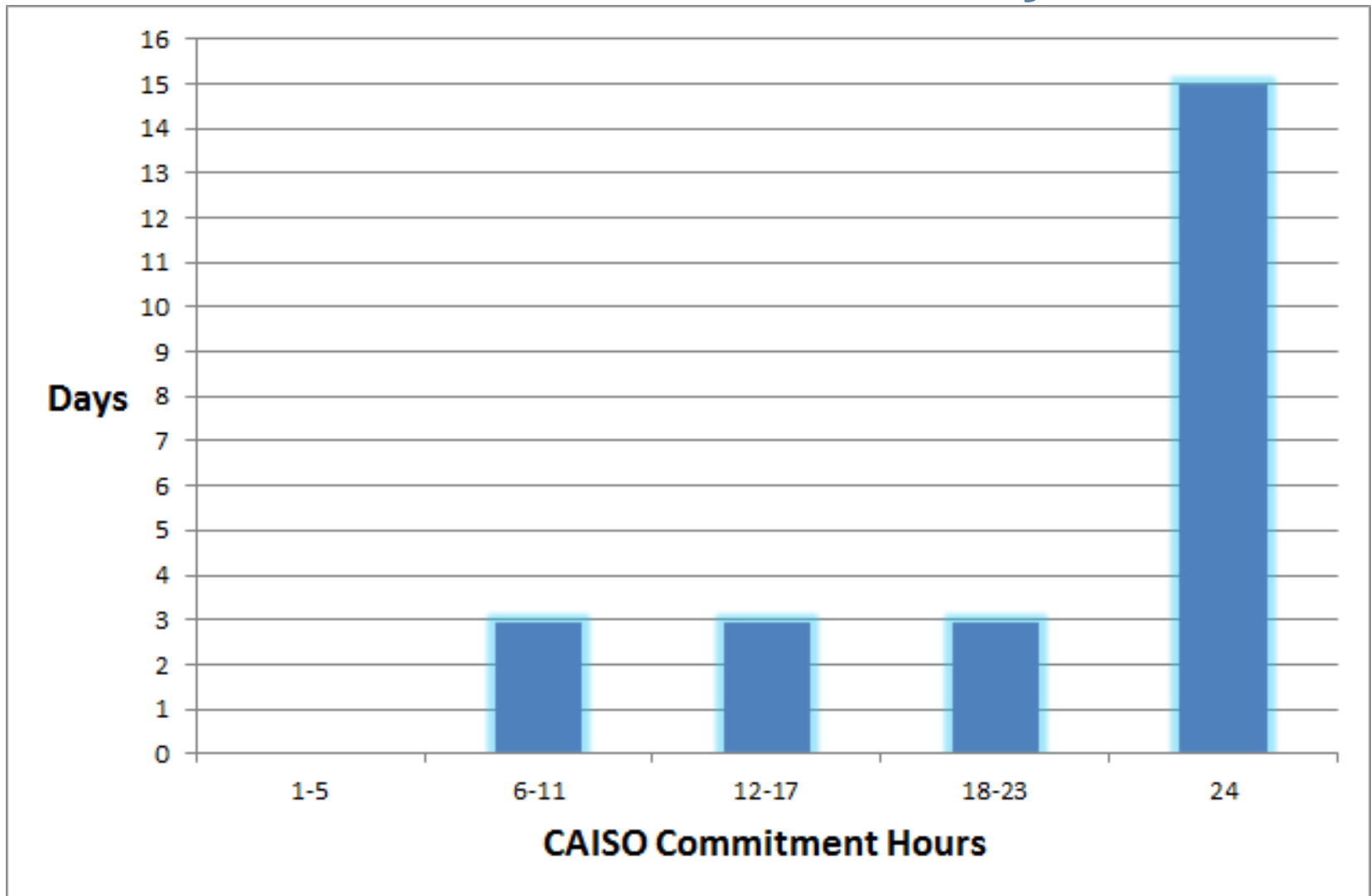
1. Monthly Production = Plant Net MWH's
2. Capacity Factor
 - a. Service Hours = In Production or in Service State
 - b. Service Factor = $SH / PH \times 100\%$
 - c. Capacity Factor = $Production / 302MW \times PH$
 - d. Capacity Factor = $Production / 280MW \times PH$
3. Monthly Equivalent Availability Factor (EAF) = $(AH - EPDH - EFDH) / PH \times 100\%$
4. Forced Outage Rate = $(FOH / (FOH + SH)) \times 100\%$
5. Heat Rate Deviation (HRD)
 - a. Fuel Cost = Cost of Fuel in \$/mmBTU
 - b. Average Heat Rate = The Average Heat Rate for the given Range
 - c. Heat Rate Deviation = $(Heat\ Rate\ Average - Heat\ Rate\ Expected) / Heat\ Rate\ Expected \times 100\%$
 - d. Production = The Sum of Production for the given Range
 - e. Costs of Heat Rate Deviations = $(Average\ Heat\ Rate - Expected\ Heat\ Rate) \times Production \times Cost\ of\ Fuel$
6. AGC Deviation-
 - a. MWH's = AGC Set Point Generation - LEC Actual Generation
 - b. Cost of Deviations = Fuel Cost x Heat Rate x Generation
7. Starting Reliability
 - a. Number of Starts = Start Count for Hot, Warm, and Cold
 - b. Start Time = Average Time from 0 Fuel Flow to Pmin
 - c. Start Fuel = Average Fuel Consumption to Pmin
 - d. Cost of Fuel Deviation = $(Actual\ Fuel\ Consumed - Expected\ Fuel) \times Cost\ of\ Fuel$

**LEC PPC Meeting
March 11, 2019
Market Settlement Results
for
February 2019**

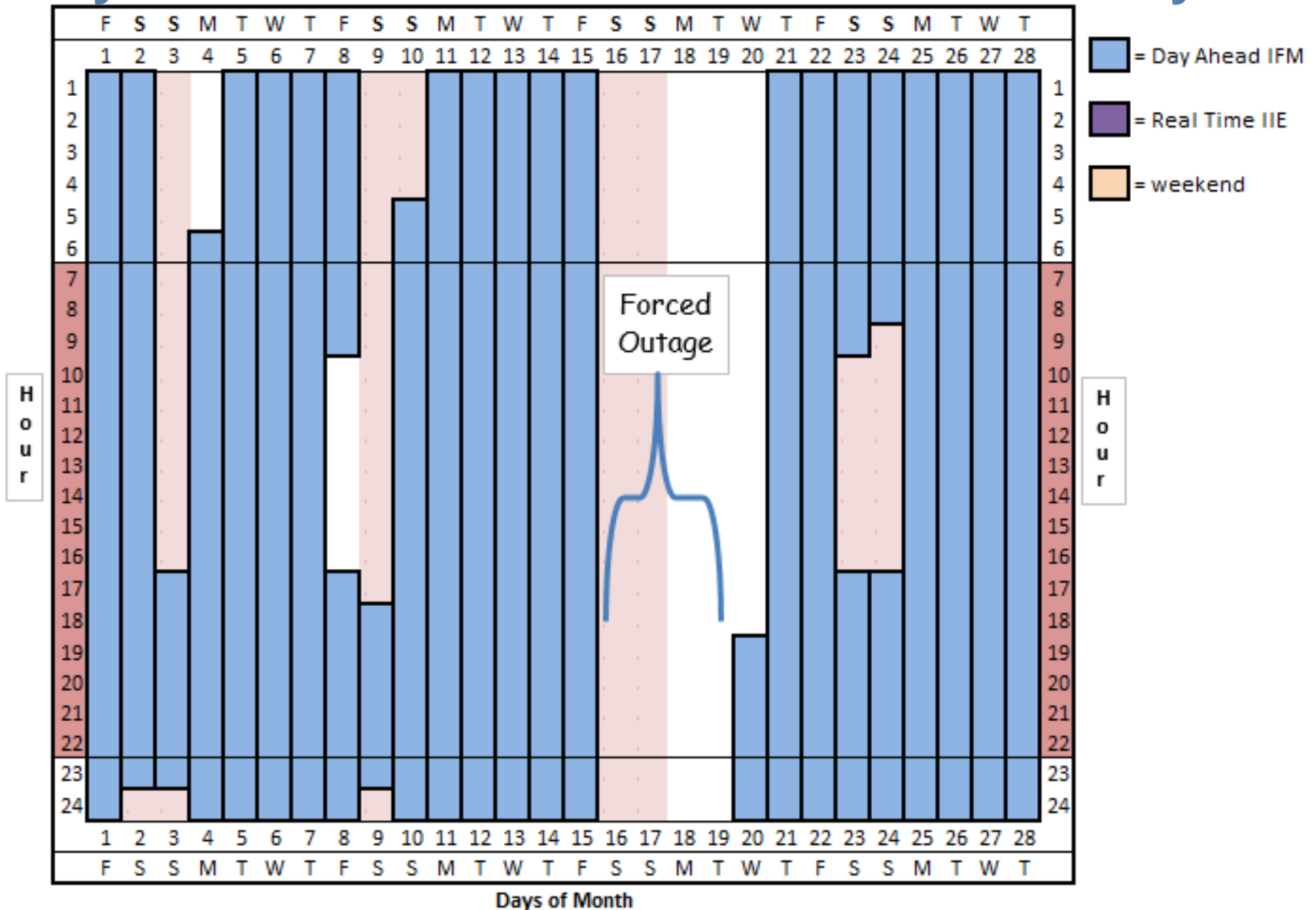
LEC Operational Results for February 2019

- Resource Adequacy Availability Metrics:
 - 93.68% - Monthly Assessment Generic Performance
 - 83.40% - Monthly Assessment Flexible Performance
- Vs
- 96.5% Availability Standard
- RAAIM Non-Availability Charges for
 - \$ 4,830 for Generic RA based on claimed 156.35 mw RA
 - \$21,290 for Flexible RA based on claimed 50.68 mw RA
- LEC was committed by CAISO for Market energy 24 of 28 available days
 - 4 days not committed due to forced outage
 - 0 days not committed due to economics

Frequency Tabulation of Daily CAISO commitment hours for February 2019

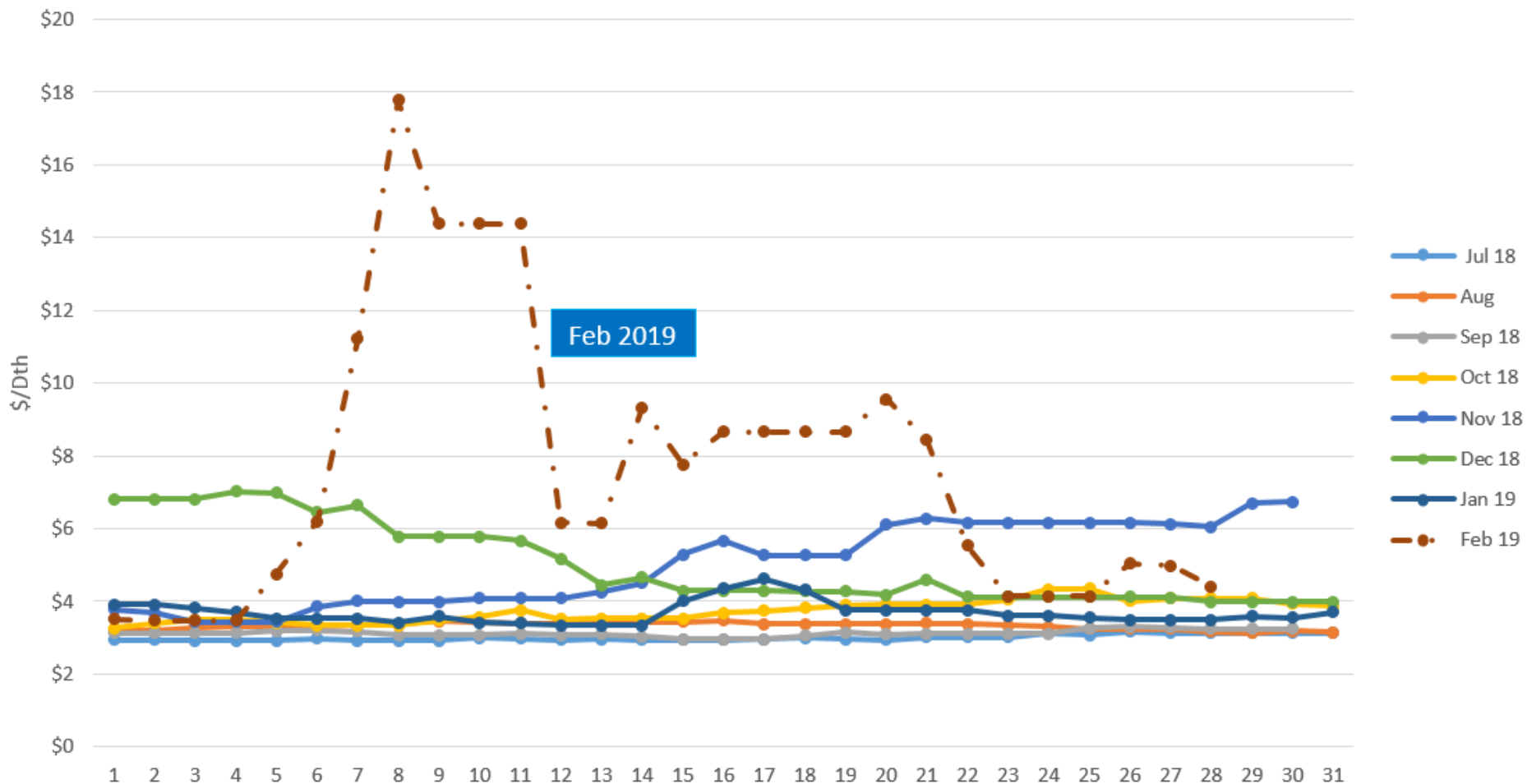


Daily CAISO Commitment Runs for February 2019



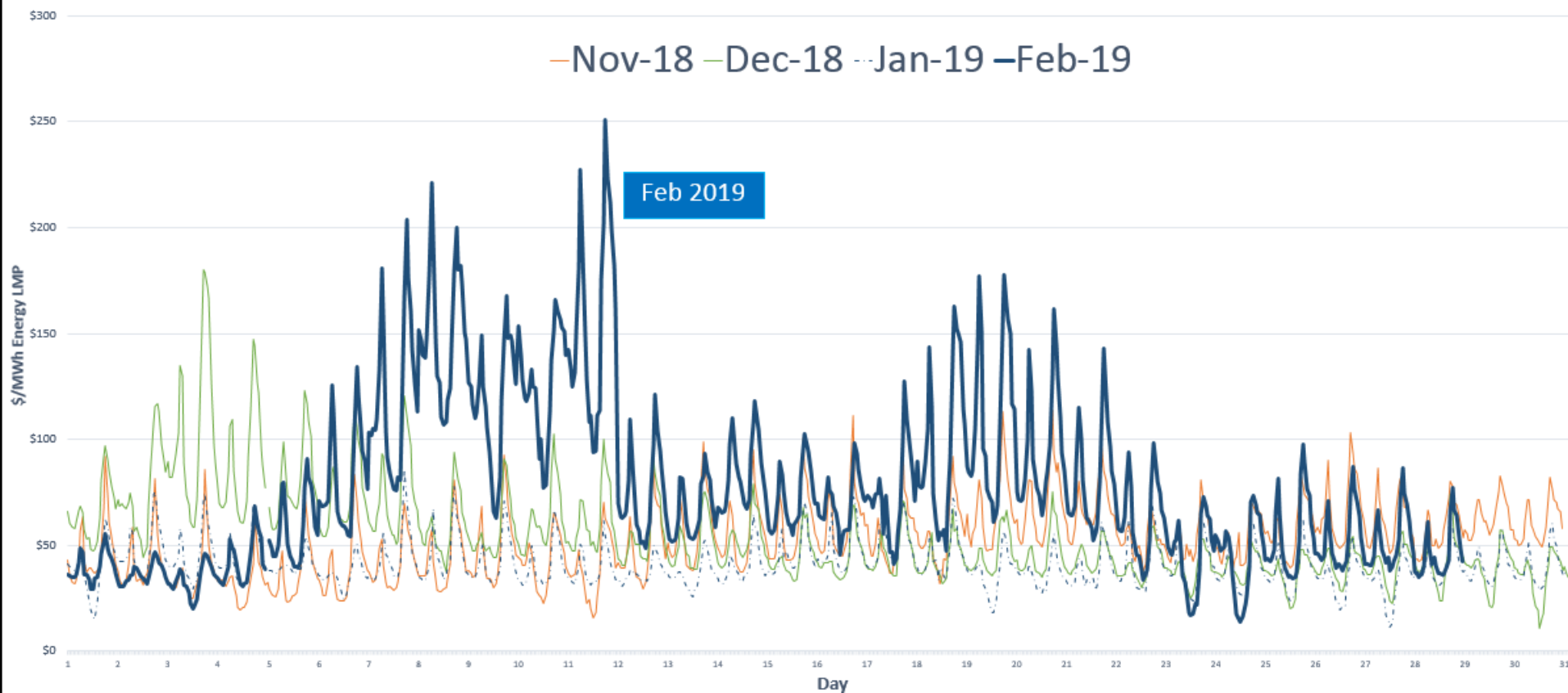
February 2019 PG&E CityGate gas index prices increase to new, higher levels

PG&E Daily CityGate Price Index by Month

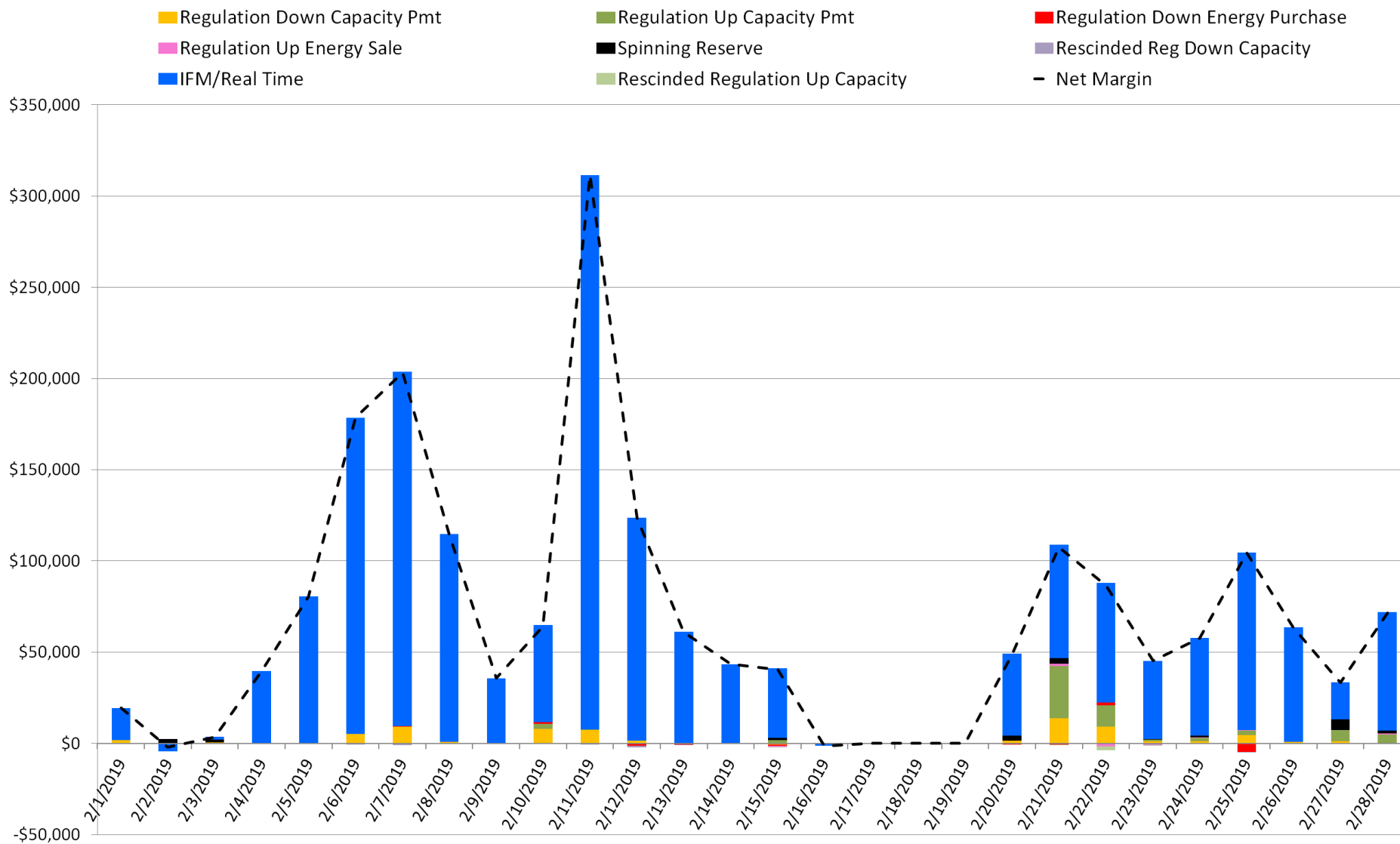


February 2019 Day Ahead Energy LMP values surge to new, higher levels

LEC PROJECT HOURLY DAY AHEAD LMP VALUES FOR Nov 2018 through Feb 2019



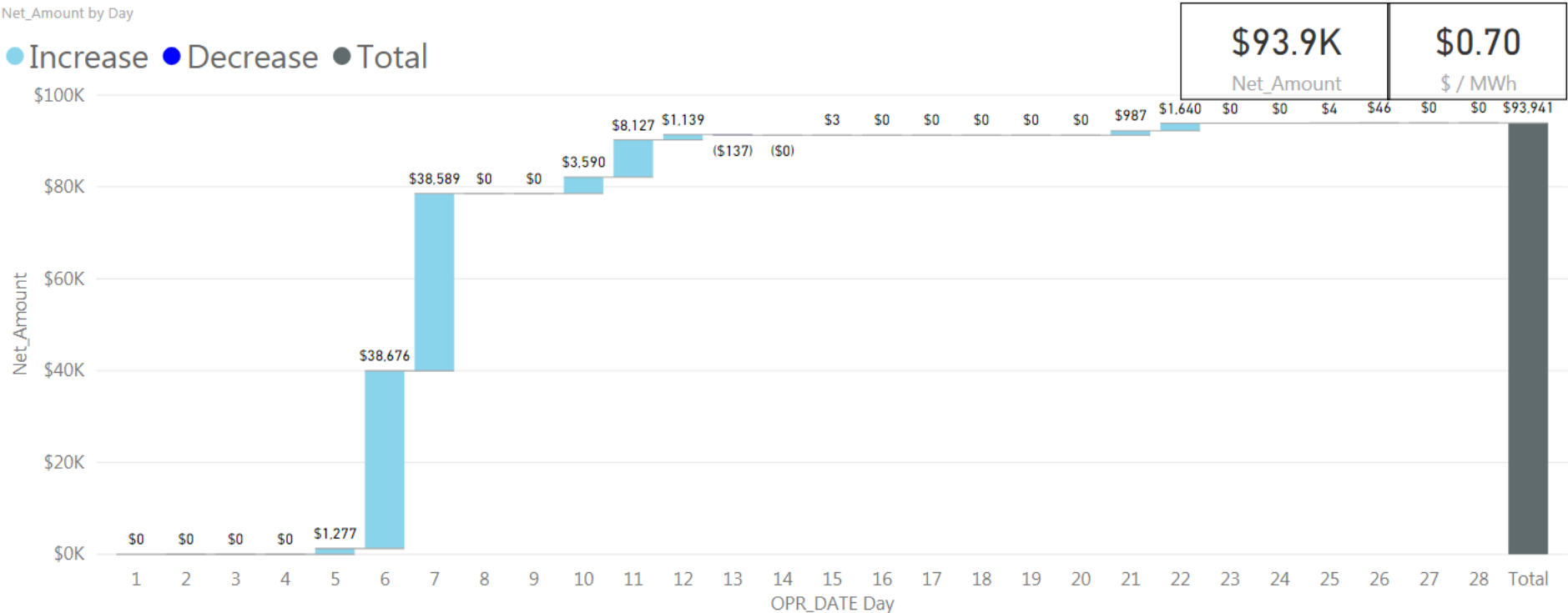
February 2019 LEC Daily Margin Profile by Product



February 2019 LEC Project Cumulative Monthly Margin

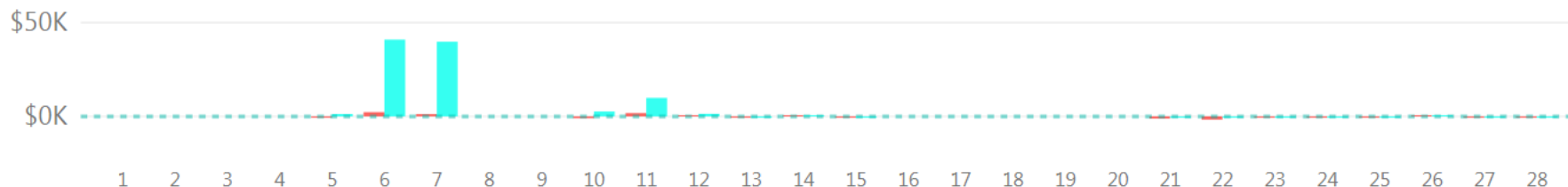
IFM/RTM Gross Revenues	\$ 10,621,400	
Regulation Up Capacity	\$ 65,500	
Regulation Down Capacity	\$ 78,200	
Spinning Reserve	\$ 20,000	
Total Gross LEC Revenue		\$ 10,785,100
LEC CAISO GMC Costs	\$ (53,000)	
CAISO Energy & Capacity Buyback Costs	\$ (268,100)	
Total Monthly LEC Fuel Cost	\$ (7,257,400)	
Total Monthly GHG Obligation	\$ (826,100)	
Variable Operations & Maintenance Cost	\$ (447,200)	
Total Costs		\$ (8,851,800)
Net Cumulative Monthly Margin		\$ 1,933,300
Average Margin \$/MWh	\$	14.4

Comparison of Day Ahead Congestion LEC vs NP15 Trade Hub

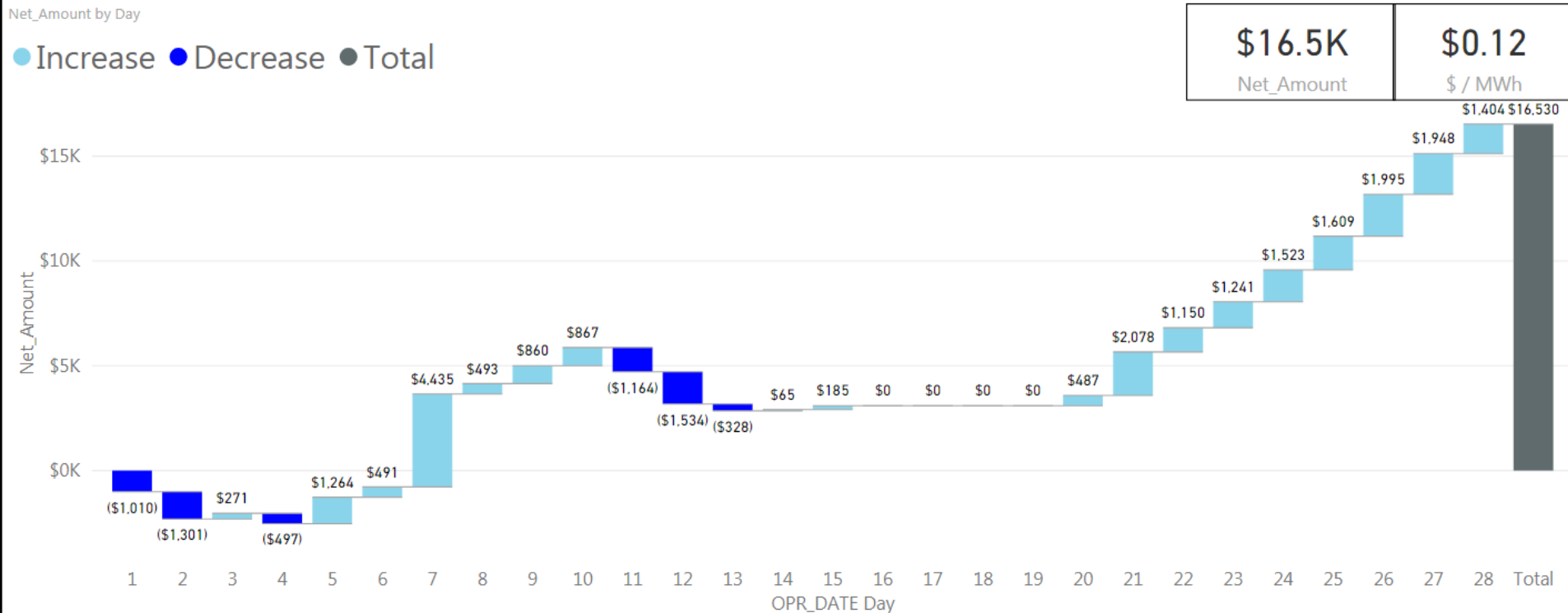


NP15_Cost and LEC_Cost by Day

● NP15_Cost ● LEC_Cost

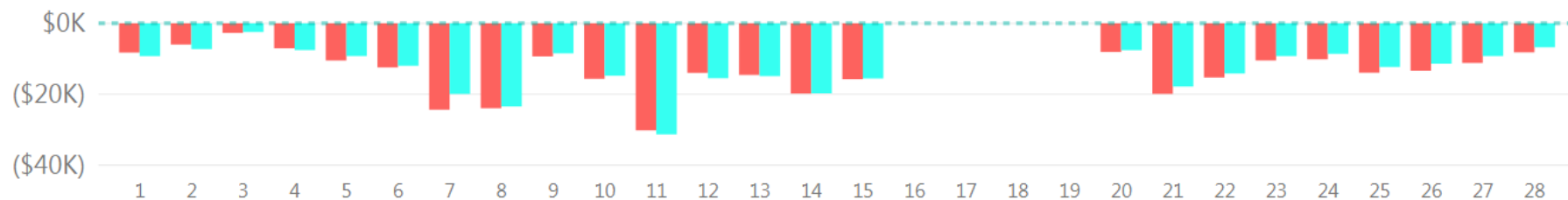


Comparison of Day Ahead Loss Component LEC vs NP15 Trade Hub



NP15_Cost and LEC_Cost by Day

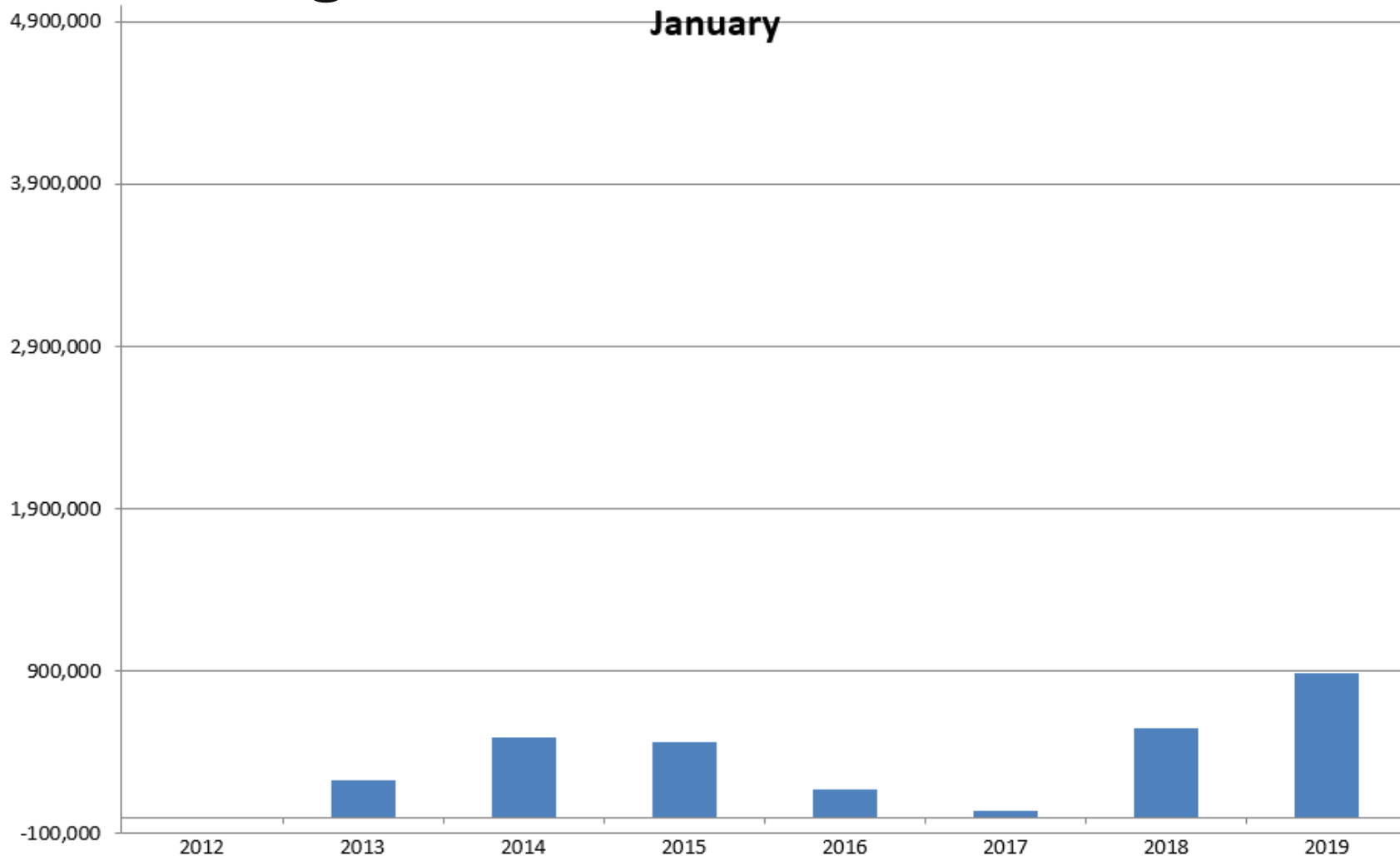
● NP15_Cost ● LEC_Cost



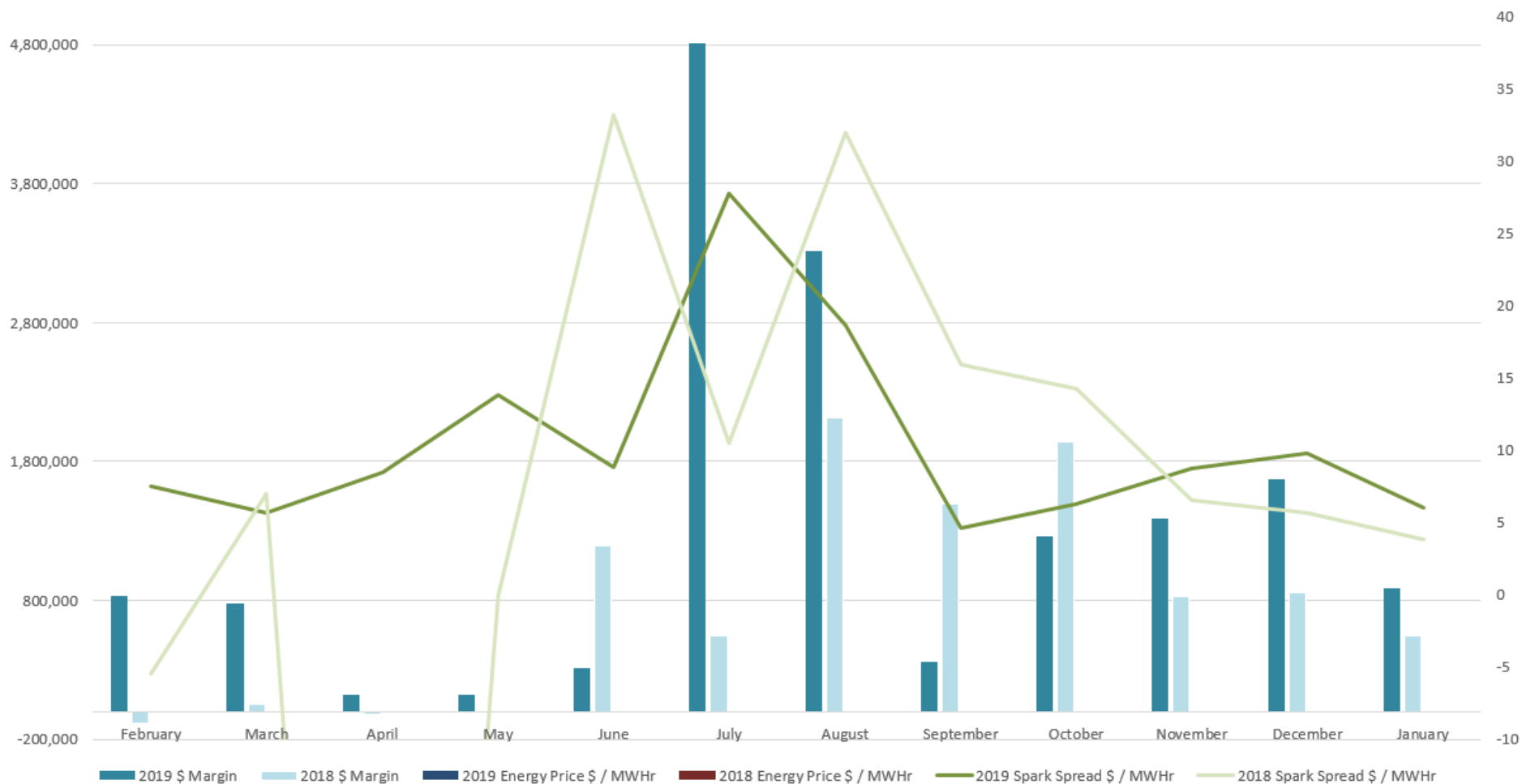
January Asset Report

		Most Recent		Above / (below)	Percent Difference	
	Actual	Forecast	Budget	Forecast	Above / (below)	
Revenue	6,545,670	11,699,487	7,554,633	(5,153,817)	-44%	
VOM	6,445,004	8,757,034	7,116,308	(2,312,030)	-26%	High Fuel, Low energy
Fixed	1,106,029	798,347	798,347	307,682	39%	Insurance moved
Projects	121,759	121,759	121,759	0	0%	
A&G	176,363	212,587	212,587	(36,224)	-17%	
Debt	2,173,321	2,173,321	2,173,321	0	0.00%	
Net Cost	(3,476,805)	(363,560)	(2,867,688)	(3,113,245)	856%	
Net Annual Cost		(29,296,557)	(33,714,242)	\$4,417,684		
				Below budget by 13.10%		

Historical Margins



Historical Monthly Comparison



Lodi Energy Center
Monthly Budget Analysis
Expenditures
Report Date: 03/05/2019

	July	August	September	October	November	December	January	February	March	April	May	June	Year	FY2017 Budget	Percent Used	Comments
VOM	5,762,637	5,660,582	2,618,769	8,084,394	13,299,544	8,062,162	6,445,004	8,418,487	2,464,574	743,403	781,339	6,620,321	68,961,218	45,870,926	150.3%	
Capacity Factor	83%	79%	36%	89%	73%	74%	65%	84%	23%	0%	8%	90%	59%	53%	110.5%	
Fuel Consumed (mmBTU, estimated)	1,236,043	1,270,941	562,033	1,395,938	1,121,029	1,221,270	1,048,116	1,215,848	355,899	0	127,862	1,335,086	10,890,064	8,933,236	121.9%	
Avg Fuel Cost (\$/mmBTU)	3.43	3.75	3.60	4.16	5.49	5.61	4.12	0.00	0.00	0.00	0.00	0.00	3.14	3.61	86.9%	Higher fuel prices lower energy prices
Power Produced (MWhr, estimated)	172,951	177,829	77,574	199,701	158,585	170,578	146,029	177,496	51,956	0	18,666	194,903	1,546,268	1,304,122	118.6%	Generated less than planned
Avg Power Price (\$/MWhr)	61.06	54.29	40.01	44.64	56.65	58.78	44.82	0.00	0.00	0.00	0.00	0.00	37.37	39.19	95.4%	
Operations / Variable / LTSA	451,014	-221,653	98,129	1,036,939	6,153,720	130,265	1,165,839	249,963	96,821	743,403	50,633	628,167	10,583,239	4,733,381	223.6%	
Fuel (estimated)	4,238,046	4,768,310	2,024,022	5,809,467	6,153,720	6,849,954	4,318,259	7,087,176	2,051,224	0	616,989	4,817,308	48,734,475	33,092,116	147.3%	
AB32 GHG Offset (estimated)	1,003,831	1,038,008	463,974	1,152,683	925,158	1,010,485	904,012	1,006,402	294,591	0	105,836	1,105,100	9,010,081	7,494,769	120.2%	
CA ISO Charges (estimated)	69,746	75,916	32,643	85,305	66,947	71,458	56,894	74,947	21,938	0	7,882	69,746	633,422	550,660	115.0%	
Routine O&M (Fixed)	869,905	798,878	1,084,701	752,948	726,713	1,032,679	1,106,029	798,347	966,848	1,308,260	999,463	798,347	11,243,117	11,428,728	98.4%	
Maintenance / Fixed	287,217	220,480	343,484	265,716	186,096	226,813	258,802	217,958	375,000	550,000	400,000	217,958	3,549,524	3,443,662	103.1%	
Administration	4,265	1,807	34,753	4,025	4,187	5,421	3,556	16,412	25,000	16,412	16,412	16,412	148,661	205,529	72.3%	
Mandatory Costs	36,157	65,583	36,735	13,580	18,450	13,850	10,855	10,926	10,926	10,926	30,000	10,926	268,915	298,336	90.1%	
Inventory Stock	0	0	0	0	0	0	0	0	0	0	0	0	0	-	0.0%	
Labor	421,755	367,483	538,453	346,372	387,504	403,969	358,287	422,129	425,000	600,000	422,129	422,129	5,115,211	5,284,165	96.8%	
Insurance	0	0	0	-1,713	0	243,655	340,879	0	0	0	0	0	582,821	625,976	93.1%	Insurance forecast Dec
Power Management & Settlements	120,511	120,511	120,511	120,511	120,511	120,511	120,511	120,511	120,511	120,511	120,511	120,511	1,446,133	1,446,134	100.0%	
Other Costs	0	23,014	10,765	4,457	9,965	18,460	13,139	10,411	10,411	10,411	10,411	10,411	131,853	124,926	105.5%	
Projects	121,759	126,805	121,759	121,759	157,733	121,759	121,759	121,759	121,759	221,759	121,759	121,759	1,602,128	1,613,107	99.3%	
Maintenance Reserve	121,759	121,759	121,759	121,759	121,759	121,759	121,759	121,759	121,759	121,759	121,759	121,759	1,461,108	1,461,107	100.0%	
Operations & Maintenance Projects	0	5,046	0	0	35,974	0	0	0	0	0	0	0	41,020	52,000	78.9%	
Capital Projects	0	0	0	0	0	0	0	0	0	100,000	0	0	100,000	100,000	100.0%	
A&G	179,446	187,660	235,600	169,686	160,986	162,298	176,363	212,587	212,587	212,587	212,587	212,587	2,334,974	2,551,043	91.5%	
Administrative & General (Allocated)	158,787	165,944	200,474	149,491	142,070	139,507	148,289	181,840	181,840	181,840	181,840	181,840	2,013,762	2,182,080	92.3%	
Generation Services Shared	20,659	21,716	35,126	20,195	18,916	22,791	28,074	30,747	30,747	30,747	30,747	30,747	321,212	368,963	87.1%	
Total O&M Cost	6,933,747	6,773,925	4,060,829	9,128,787	14,344,976	9,378,898	7,849,155	9,551,180	3,765,768	2,486,008	2,115,148	7,753,014	84,141,436	61,463,804	136.9%	
Debt Service	2,173,321	2,173,321	2,173,321	2,173,321	2,173,321	2,173,321	2,173,321	2,173,321	2,173,321	2,173,321	2,173,321	2,173,321	26,079,852	26,079,852	100.0%	
Revenues	10,560,770	9,655,190	3,103,737	8,914,308	8,983,306	10,026,384	6,545,670	10,264,667	2,826,029	4,331	1,077,371	8,962,968	80,924,731	53,829,414	150.3%	
ISO Energy Sales (estimated)	10,560,770	9,655,190	3,103,737	8,914,249	8,983,306	10,026,384	6,545,670	10,146,301	2,810,118	0	1,051,750	8,924,648	80,722,123	52,414,938	154.0%	
Other Income	0	0	0	59	0	0	0	118,366	15,911	4,331	25,621	38,320	202,607	1,414,476		
Net	\$1,453,702	\$707,944	(\$3,130,414)	(\$2,387,800)	(\$7,534,991)	(\$1,525,835)	(\$3,476,805)	(\$1,459,834)	(\$3,113,060)	(\$4,654,998)	(\$3,211,098)	(\$963,367)	(\$29,296,557)	(\$33,714,242)	Below budget by 13.10%	



Lodi Energy Center Project Participant Committee

LEC Financial Reports

AGENDA ITEM NO.: 9

Date: March 11, 2019

To: Lodi Energy Center Project Participant Committee

Subject: February 28, 2019 Financial Reports (Unaudited)

**NORTHERN CALIFORNIA POWER AGENCY
LODI ENERGY CENTER
STATEMENTS OF NET POSITION
UNAUDITED**

	<u>February</u>	
	<u>2019</u>	<u>2018</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 73,707	\$ 72,256
Accounts receivable		
Others	-	315
Interest receivable	58	90
Inventory and supplies - at average cost	2,110,855	2,110,854
Prepaid insurance	440,394	314,137
Due from (to) Agency, net	38,147,717	18,073,106
TOTAL CURRENT ASSETS	<u>40,772,731</u>	<u>20,570,758</u>
RESTRICTED ASSETS		
Cash and cash equivalents	12,002,141	1,718,190
Investments	23,117,320	33,521,356
Interest receivable	75,310	79,097
TOTAL RESTRICTED ASSETS	<u>35,194,771</u>	<u>35,318,643</u>
ELECTRIC PLANT		
Electric plant in service	423,846,087	423,794,076
Less: accumulated depreciation	(91,298,069)	(76,682,735)
	<u>332,548,018</u>	<u>347,111,341</u>
Construction work-in-progress	182,398	107,024
TOTAL ELECTRIC PLANT	<u>332,730,416</u>	<u>347,218,365</u>
OTHER ASSETS		
Unamortized excess cost on advance refunding of debt, net	1,925,043	2,282,654
Regulatory assets	24,754,522	22,966,001
TOTAL OTHER ASSETS	<u>26,679,565</u>	<u>25,248,655</u>
TOTAL ASSETS	<u>\$ 435,377,483</u>	<u>\$ 428,356,421</u>

**NORTHERN CALIFORNIA POWER AGENCY
LODI ENERGY CENTER
STATEMENTS OF NET POSITION
UNAUDITED**

	February	
	2019	2018
LIABILITIES & NET POSITION		
CURRENT LIABILITIES		
Accounts and retentions payable	\$ 7,257,503	\$ 2,574,077
Operating reserves	13,466,520	13,711,714
Current portion of long-term debt	11,480,000	10,690,000
Accrued interest payable	3,632,323	3,827,691
TOTAL CURRENT LIABILITIES	35,836,346	30,803,482
NON-CURRENT LIABILITIES		
Operating reserves and other deposits	1,157,103	1,716,016
Long-term debt, net	331,124,374	342,777,219
TOTAL NON-CURRENT LIABILITIES	332,281,477	344,493,235
TOTAL LIABILITIES	368,117,823	375,296,717
DEFERRED INFLOWS OF RESOURCES		
Regulatory credits	40,010,793	41,385,735
NET POSITION		
Invested in capital assets, net of related debt	(21,047,863)	(17,115,161)
Restricted	19,455,751	17,471,030
Unrestricted	28,840,979	11,318,100
TOTAL NET POSITION	27,248,867	11,673,969
TOTAL LIABILITIES AND NET POSITION	\$ 435,377,483	\$ 428,356,421

**NORTHERN CALIFORNIA POWER AGENCY
LODI ENERGY CENTER
STATEMENT OF REVENUES, EXPENSES
& CHANGES IN NET POSITION
UNAUDITED**

		Eight Months Ended February	
		2019	2018
SALES FOR RESALE			
Participants	\$	24,160,769	\$ 20,754,197
Other		70,849,616	42,719,237
TOTAL SALES FOR RESALE		95,010,385	63,473,434
OPERATING EXPENSES			
Operations		47,825,959	28,952,947
Depreciation		9,744,552	9,741,357
Purchased power		4,049,262	3,663,804
Maintenance		2,543,981	2,604,189
Administrative and general		3,184,313	2,979,863
Transmission		659,604	695,677
Intercompany (sales) purchases		156,664	183,882
TOTAL OPERATING EXPENSES		68,164,335	48,821,719
NET OPERATING REVENUES		26,846,050	14,651,715
OTHER REVENUES (EXPENSES)			
Interest expense		(9,838,675)	(10,232,263)
Interest income		1,006,460	507,548
Other		3,321,254	1,706,363
TOTAL OTHER REVENUES (EXPENSES)		(5,510,961)	(8,018,352)
FUTURE RECOVERABLE AMOUNTS		966,008	1,313,546
REFUNDS TO PARTICIPANTS		1,704,237	(2,480,571)
INCREASE IN NET POSITION		24,005,334	5,466,338
NET POSITION			
Beginning of year		3,243,533	6,207,631
End of period	\$	27,248,867	\$ 11,673,969

**Lodi Energy Center
FY 2019 Operating Costs
As of February 28, 2019**

	Annual Budget	Actual	Remaining	YTD % Remaining	Notes
Routine O&M Costs					
Variable	\$ 4,733,380	\$ 2,979,772	\$ 1,753,608	37%	A
Fixed	3,443,662	2,225,226	1,218,436	35%	
Administration	205,529	62,693	142,836	69%	
Mandatory Costs	298,336	258,785	39,551	13%	
Routine O&M Costs without Labor	8,680,907	5,526,476	3,154,431	36%	
Labor	5,284,165	3,198,892	2,085,273	39%	
Total Routine O&M Cost	13,965,072	8,725,368	5,239,704	38%	
Other Costs					
Fuel	33,092,116	40,966,978	(7,874,862)	0%	B
CA ISO Charges	550,660	659,604	(108,944)	0%	
CA ISO Purchased Energy	5,113,848	4,049,262	1,064,586	21%	C
Debt Service	26,079,852	17,386,569	8,693,283	33%	C
Insurance	625,976	582,820	43,156	7%	D
Other Costs	124,926	79,801	45,125	36%	
Generation Services Shared	368,963	192,477	176,486	48%	
Administrative & General (Allocated)	2,182,080	1,234,561	947,519	43%	
Power Management Allocated Costs	1,446,134	964,089	482,045	33%	
Total O&M Cost	83,549,627	74,841,529	8,708,098	10%	
Projects					
Operations & Maintenance	52,000	41,020	10,980	21%	
Capital	100,000	-	100,000	100%	
Maintenance Reserve	1,461,107	974,071	487,036	33%	
Total Projects	1,613,107	1,015,091	598,016	37%	
Annual Cost	85,162,734	75,856,620	9,306,114	11%	
Less: Third Party Revenue					
Interest Income	385,845	377,862	7,983	2%	
ISO Energy Sales	52,414,938	69,594,457	(17,179,519)	0%	
Ancillary Services Sales	1,028,631	1,255,159	(226,528)	0%	
	53,829,414	71,227,537	(17,398,123)	0%	
Net Annual Cost to Participants	\$ 31,333,320	\$ 4,629,083	\$ 26,704,237	85%	
Total Variable Costs	43,490,004	48,655,616	(5,165,612)		
Total Fixed Costs	41,672,730	27,201,004	14,471,726		
	<u>\$ 85,162,734</u>	<u>\$ 75,856,620</u>	<u>\$ 9,306,114</u>		
Net Cumulative Generation (MWh)	1,304,122	1,237,130			
Total O&M Cost Per MWh	\$ 64.07	\$ 60.50			
Net Annual Cost Per MWh	\$ 24.03	\$ 3.74			

Footnotes:

General - The plant ran 24 days during the month.

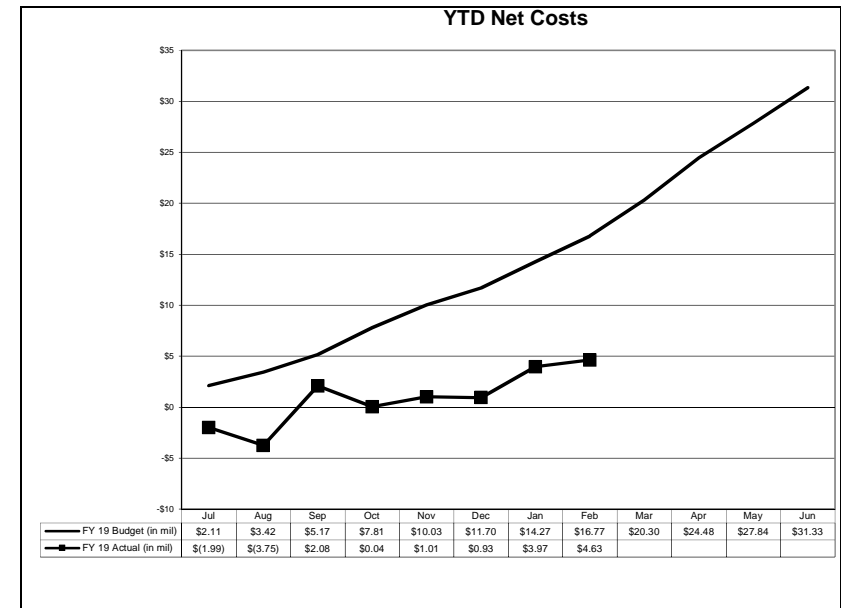
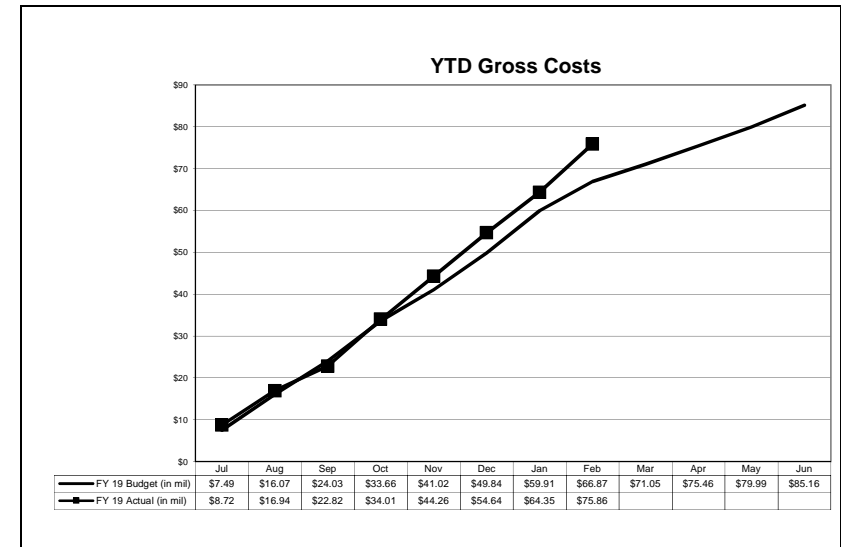
February payroll, A&G allocation and generation services allocation are estimated.

A - Payments for annual CEC fee.

B - Higher fuel costs due to higher price per mmBtu compared to budgeted price per mmBtu.

C - Higher than budgeted CA ISO costs due to higher GMC and energy costs.

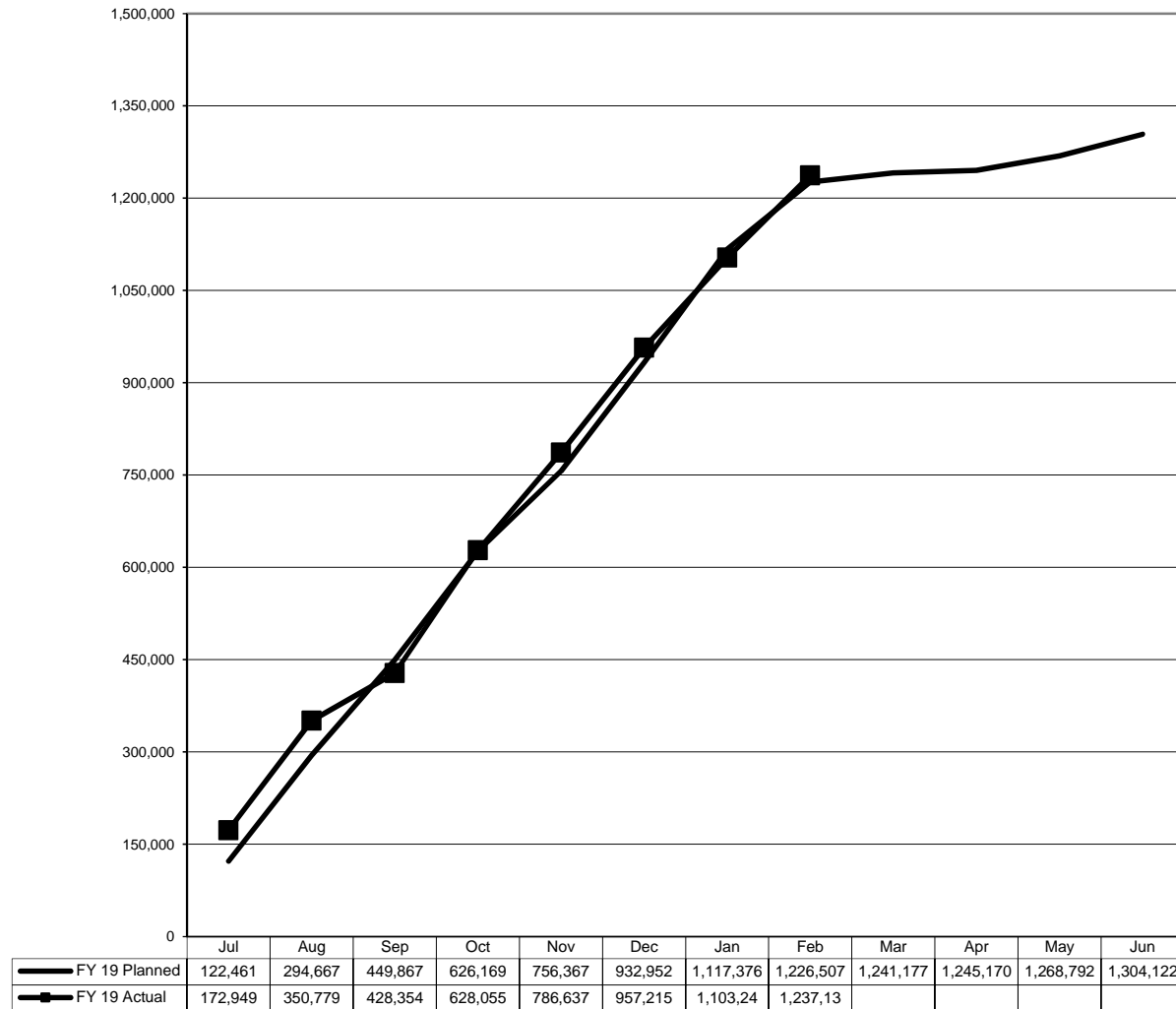
D - Costs reflect actual insurance paid during the year - costs projected to normalize for remainder of fiscal year.



Annual Budget LEC Generation Analysis Planned vs. Actual FY 2019

In MWh

Lodi Energy Center





Lodi Energy Center Project Participant Committee

LEC GHG Reports

AGENDA ITEM NO.: 9

Date: March 11, 2019

To: Lodi Energy Center Project Participant Committee

Subject: GHG Reports (excerpted from monthly ARB)

NCPA All Resources Bill LEC GHG Obligation Detail Report (Cumulative) March 2019																
IDENTIFIER	AZUSA	BART	BIGGS	CDWR	GRI	HEA	LOD	LOM	MID	PLU	PWRPA	SNCL	UKI	TOTAL	Charge Code	Source
Allocation Percentages																
Generation Entitlement Share %	2.7857%	6.6000%	0.2679%	33.5000%	1.9643%	1.6428%	9.5000%	2.0357%	10.7143%	0.7857%	2.6679%	25.7500%	1.7857%	100%		MARS
Obligation Accounts																
Current MT Compliance Obligation (MTO) Balance (MT)	19,187	45,460	1,845	247,641	13,530	11,316	65,435	13,997	73,798	5,410	18,375	177,363	12,299	705,657		derived
Current MT Compliance Instrument Account (MTA) Balance (MT)	19,432	46,443	2,264	285,170	13,703	11,561	70,083	14,540	77,587	5,779	18,946	238,563	12,548	816,619		derived
MTA Shortfall (MT)	(245)	(982)	(419)	(37,530)	(173)	(245)	(4,648)	(544)	(3,789)	(368)	(570)	(61,200)	(249)	(110,962)	MTA SHORTFALL	Derived
Monthly GHG Price \$/MT	15.80	15.80	15.80	15.80	15.80	15.80	15.80	15.80	15.80	15.80	15.80	15.80	15.80	15.80	MTA SHORTFALL	ICE Index
GHG Minimum Cash Compliance Obligation (\$)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	MTA SHORTFALL	Derived
Current Month CCA Balance (\$)*	60,991	0	143	0	1,103	4,780	755	0	0	0	0	0	2,652	70,424	CCA BALANCE	Accounting
Net GHG Obligation (\$)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	NET GHG OBLIG	Derived

* The Current Month CCA Balance (\$) consists of the current cash balance plus any outstanding balance of Net GHG Obligation (\$) billed but not yet received.

2013 NCPA All Resources Bill LEC GHG Compliance Instrument Detail Report for the Lodi Energy Center																
	Actual													Compliance Year 2013		
IDENTIFIER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	Total	Charge Code	Source
Energy (MWh)	0	82,787	101,925	128,167	134,284	32,545	80,153	122,492	94,615	92,091	98,739	105,078	138,068	1,210,944		Forecast/Meter
Gas Schedule (MMBtu)	0	593,484	723,038	894,657	952,529	229,724	579,650	870,331	673,965	650,250	692,396	738,008	965,292	8,563,324		Forecast/Meter
Emissions Factor (MT/MMBtu)	0	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054			MARS
HVAC/Water Heater (MT)													86,000			
Monthly MT Emissions (MT)	0	32,027	39,019	48,280	51,403	12,397	31,281	46,967	36,371	35,091	37,365	39,827	52,178	462,206		derived
Cumulative MT Obligation (MT)	0	32,027	71,046	119,326	170,730	183,127	214,407	261,375	297,745	332,836	370,201	410,028	462,206	462,206		derived
Compliance Instrument Participant Transfers (to LEC)																
Auction Allowances	92,695	5,350	0	13,644	105,000	50,632	30,628	1,600	102,200	12,594	37,500	0	46,290	498,133		CITSS
Secondary Market Allowances	0	0	0	0	0	0	0	0	0	0	0	0	0	0		CITSS
Reserve Sale Allowances	0	0	0	0	0	0	0	0	0	0	0	0	0	0		CITSS
Offsets	0	0	0	0	0	0	0	0	0	0	0	0	0	0		CITSS
Total Compliance Instrument Participant Transfers (MT)	92,695	5,350	0	13,644	105,000	50,632	30,628	1,600	102,200	12,594	37,500	0	46,290	498,133		
NCPA Compliance Instrument Purchases (for LEC)																
Auction Purchases	47,000	0	0	0	0	0	0	0	0	0	0	0	0	47,000		CITSS
Secondary Market Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0	0		CITSS
Reserve Sale Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0	0		CITSS
Offset Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0	0		CITSS
Total NCPA Compliance Instrument Purchases (MT)	47,000	0	0	0	0	0	0	0	0	0	0	0	0	47,000		
Compliance Instruments Surrendered to CARB (MT)	0	0	0	0	0	0	0	0	0	0	0	0	0			CITSS
Total Monthly Activity (MT)	139,695	5,350	0	13,644	105,000	50,632	30,628	1,600	102,200	12,594	37,500	0	46,290	545,133		derived
Cumulative MT Account Balance [MTA] (MT)	139,695	145,045	145,045	158,689	263,689	314,321	344,949	346,549	448,749	461,343	498,843	498,843	545,133	545,133		derived
MTA Shortfall (MT)	(139,695)	(113,018)	(73,999)	(39,363)	(92,959)	(131,194)	(130,542)	(85,174)	(151,004)	(128,507)	(128,642)	(88,815)	(82,927)	(82,927)	MTA SHORTFALL	derived

2014 NCPA All Resources Bill LEC GHG Compliance Instrument Detail Report for the Lodi Energy Center																
	Actual												Compliance Year 2014	Cumulative Totals		
IDENTIFIER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	Total	Total	Charge Code	Source
Energy (MWh)	136,604	156,089	120,489	55,378	71,210	51,037	118,473	69,006	178,831	197,715	51,636	106,338	1,312,806	2,523,750		Forecast/Meter
Gas Schedule (MMBtu)	951,700	1,092,730	858,805	391,272	512,068	371,695	836,762	496,327	1,251,547	1,371,546	372,826	759,691	9,266,969	17,830,293		Forecast/Meter
Emissions Factor (MT/MMBtu)	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054		MARS
HVAC/Water Heater (MT)												173,000				
Monthly MT Emissions (MT)	51,358	58,969	46,345	21,115	27,634	20,059	45,156	26,784	67,540	74,015	20,120	41,170	500,265	962,471		derived
Cumulative MT Obligation (MT)	513,564	572,533	618,879	639,994	667,628	687,686	732,842	759,626	827,166	901,181	782,385	823,555	823,555	823,555		derived
Compliance Instrument Participant Transfers (to LEC)																
Auction Allowances	102,347	40,000	48,066	25,000	1,290	163,248	0	0	13,586	50,520	80,350	350	524,757	1,022,890		CITSS
Secondary Market Allowances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	CITSS
Reserve Sale Allowances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	CITSS
Offsets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	CITSS
Total Compliance Instrument Participant Transfers (MT)	102,347	40,000	48,066	25,000	1,290	163,248	0	0	13,586	50,520	80,350	350	524,757	1,022,890		
NCPA Compliance Instrument Purchases (for LEC)																
Auction Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0	47,000		CITSS
Secondary Market Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0	0		CITSS
Reserve Sale Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	CITSS
Offset Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	CITSS
Total NCPA Compliance Instrument Purchases (MT)	0	0	0	0	0	0	0	0	0	0	0	0	0	47,000		
Compliance Instruments Surrendered to CARB (MT)	0	0	0	0	0	0	0	0	0	0	138,916	0	138,916	138,916		CITSS
Total Monthly Activity (MT)	102,347	40,000	48,066	25,000	1,290	163,248	0	0	13,586	50,520	80,350	350	524,757	1,069,890		derived
Cumulative MT Account Balance [MTA] (MT)	647,480	687,480	735,546	760,546	761,836	925,084	925,084	925,084	938,670	989,190	930,624	930,974	930,974	930,974		derived
MTA Shortfall (MT)	(133,916)	(114,947)	(116,667)	(120,552)	(94,208)	(237,398)	(192,242)	(165,458)	(111,504)	(88,009)	(148,239)	(107,419)	(107,419)	(107,419)	MTA SHORTFALL	derived

2015 NCPA All Resources Bill LEC GHG Compliance Instrument Detail Report for the Lodi Energy Center																
	Actual												Compliance Year 2015	Cumulative Totals		
IDENTIFIER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	Total	Total	Charge Code	Source
Energy (MWh)	196,019	151,600	184,507	181,244	91,067	142,275	103,883	137,266	131,608	165,737	75,231	131,779	1,692,216	4,215,967		Forecast/Meter
Gas Schedule (MMBtu)	1,368,474	1,073,330	1,299,294	1,269,481	646,027	1,009,450	740,553	971,283	927,730	1,171,129	541,136	940,340	11,958,227	29,788,520		Forecast/Meter
Emissions Factor (MT/MMBtu)	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054				MARS
HVAC/Water Heater (MT)																
Monthly MT Emissions (MT)	73,850	57,922	70,116	68,508	34,863	54,475	39,964	52,415	50,065	63,200	29,202	50,745	645,326	1,607,796		derived
Cumulative MT Obligation (MT)	897,404	955,327	1,025,443	1,093,951	1,128,814	1,183,288	1,223,252	1,275,668	1,325,733	1,388,933	593,540	644,285	644,285	644,285		derived
Compliance Instrument Participant Transfers (to LEC)																
Auction Allowances	41,342	250	172,100	15,000	86,000	107,327	104,000	26,021	0	58,201	375	200	610,816	1,633,706		CITSS
Secondary Market Allowances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	CITSS
Reserve Sale Allowances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	CITSS
Offsets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	CITSS
Total Compliance Instrument Participant Transfers (MT)	41,342	250	172,100	15,000	86,000	107,327	104,000	26,021	0	58,201	375	200	610,816	1,633,706		
NCPA Compliance Instrument Purchases (for LEC)																
Auction Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0	47,000		CITSS
Secondary Market Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0	0		CITSS
Reserve Sale Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0	0		CITSS
Offset Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0	0		CITSS
Total NCPA Compliance Instrument Purchases (MT)	0	0	0	0	0	0	0	0	0	0	0	0	0	47,000		
Compliance Instruments Surrendered to CARB (MT)	0	0	0	0	0	0	0	0	0	0	824,595	0	824,595	963,511		CITSS
Total Monthly Activity (MT)	41,342	250	172,100	15,000	86,000	107,327	104,000	26,021	0	58,201	375	200	610,816	1,680,706		derived
Cumulative MT Account Balance [MTA] (MT)	972,316	972,566	1,144,666	1,159,666	1,245,666	1,352,993	1,456,993	1,483,014	1,483,014	1,541,215	716,995	717,195	717,195	717,195		derived
MTA Shortfall (MT)	(74,912)	(17,239)	(119,223)	(65,715)	(116,852)	(169,705)	(233,741)	(207,346)	(157,281)	(152,282)	(123,455)	(72,910)	(72,910)	(72,910)	MTA SHORTFALL	derived

2016 NCPA All Resources Bill LEC GHG Compliance Instrument Detail Report for the Lodi Energy Center																
	Actual												Compliance Year 2016	Cumulative Totals		
IDENTIFIER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	Total	Total	Charge Code	Source
Energy (MWh)	97,230	27,160	91,578	45,437	3,423	66,596	76,008	31,653	25,597	20,636	17,488	28,418	531,223	4,747,190		Forecast/Meter
Gas Schedule (MMBtu)	695,120	194,179	678,033	339,504	27,754	485,792	547,510	234,782	192,679	158,835	158,835	214,109	3,927,132	33,715,652		Forecast/Meter
Emissions Factor (MT/MMBtu)	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054				MARS
HVAC/Water Heater (MT)																
Monthly MT Emissions (MT)	37,512	10,479	36,590	18,321	1,498	26,216	29,546	12,670	10,398	8,572	8,572	11,554	211,928	1,819,724		derived
Cumulative MT Obligation (MT)	681,798	692,276	728,867	747,188	748,686	774,901	804,448	817,118	827,516	836,087	650,684	662,238	662,238	662,238		derived
Compliance Instrument Participant Transfers (to LEC)																
Auction Allowances	211,481	0	2,500	31,000	0	55,000	0	56,600	0	0	0	0	356,581	1,990,287		CITSS
Secondary Market Allowances	0	0	0	0	0	0	0	0	0	0	0	0	0	0		CITSS
Reserve Sale Allowances	0	0	0	0	0	0	0	0	0	0	0	0	0	0		CITSS
Offsets	0	0	0	0	0	0	0	0	0	0	0	0	0	0		CITSS
Total Compliance Instrument Participant Transfers (MT)	211,481	0	2,500	31,000	0	55,000	0	56,600	0	0	0	0	356,581	1,990,287		
NCPA Compliance Instrument Purchases (for LEC)																
Auction Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0	47,000		CITSS
Secondary Market Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0	0		CITSS
Reserve Sale Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0	0		CITSS
Offset Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0	0		CITSS
Total NCPA Compliance Instrument Purchases (MT)	0	0	0	0	0	0	0	0	0	0	0	0	0	47,000		
Compliance Instruments Surrendered to CARB (MT)	0	0	0	0	0	0	0	0	0	0	193,975	0	193,975	1,157,486		CITSS
Total Monthly Activity (MT)	211,481	0	2,500	31,000	0	55,000	0	56,600	0	0	0	0	356,581	2,037,287		derived
Cumulative MT Account Balance [MTA] (MT)	928,676	928,676	931,176	962,176	962,176	1,017,176	1,017,176	1,073,776	1,073,776	1,073,776	879,801	879,801	879,801	879,801		derived
MTA Shortfall (MT)	(246,878)	(236,400)	(202,309)	(214,988)	(213,490)	(242,275)	(212,728)	(256,658)	(246,260)	(237,689)	(229,117)	(217,563)	(217,563)	(217,563)	MTA SHORTFALL	derived

2017 NCPA All Resources Bill LEC GHG Compliance Instrument Detail Report for the Lodi Energy Center															
IDENTIFIER	Actual											Compliance Year 2017	Cumulative Totals	Charge Code	Source
	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	Total		
Energy (MWh)	38,917	15,337	7,086	0	3,436	35,997	54,015	66,209	93,620	136,041	126,574	149,304	726,534	1,088,590	Forecast/Meter
Gas Schedule (MMBtu)	301,781	115,019	59,077	0	29,558	266,056	403,302	464,997	675,267	969,402	901,245	1,063,441	5,249,146	7,830,656	Forecast/Meter
Emissions Factor (MT/MMBtu)	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054			MARS
HVAC/Water Heater (MT)															
Monthly MT Emissions (MT)	16,286	6,207	3,188	0	1,595	14,358	21,764	25,094	36,441	52,314	48,636	57,389	283,270	2,102,994	derived
Cumulative MT Obligation (MT)	678,524	684,731	687,919	687,919	689,514	703,872	725,636	750,729	787,170	839,484	824,883	882,271	882,271	882,271	derived
Compliance Instrument Participant Transfers (to LEC)															
Auction Allowances	0	0	5,000	0	0	0	0	0	67,058	0	20,500	92,321	184,879	2,175,166	CITSS
Secondary Market Allowances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	CITSS
Reserve Sale Allowances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	CITSS
Offsets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	CITSS
Total Compliance Instrument Participant Transfers (MT)	0	0	5,000	0	0	0	0	0	67,058	0	20,500	92,321	184,879	2,175,166	
														0	
NCPA Compliance Instrument Purchases (for LEC)														0	
Auction Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0	47,000	CITSS
Secondary Market Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0	0	CITSS
Reserve Sale Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0	0	CITSS
Offset Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0	0	CITSS
Total NCPA Compliance Instrument Purchases (MT)	0	0	0	0	0	0	0	0	0	0	0	0	0	47,000	
Compliance Instruments Surrendered to CARB (MT)	0	0	0	0	0	0	0	0	0	0	63,237	0	63,237	1,220,723	CITSS
Total Monthly Activity (MT)	0	0	5,000	0	0	0	0	0	67,058	0	20,500	92,321	184,879	256,666	derived
Cumulative MT Account Balance [MTA] (MT)	879,801	879,801	884,801	884,801	884,801	884,801	884,801	884,801	951,859	951,859	909,122	1,001,443	1,001,443	1,001,443	derived
MTA Shortfall (MT)	(201,277)	(195,070)	(196,882)	(196,882)	(195,287)	(180,929)	(159,165)	(134,072)	(164,689)	(112,375)	(84,239)	(119,172)	(119,172)	(119,172)	MTA SHORTFALL derived

2018 NCPA All Resources Bill LEC GHG Compliance Instrument Detail Report for the Lodi Energy Center																
	Actual												Compliance Year 2018	Cumulative Totals		
IDENTIFIER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	Total	Total	Charge Code	Source
Energy (MWh)	141,193	110,674	138,464	14,747	8,838	35,406	172,949	177,830	77,575	199,698	158,585	170,573	1,406,532	6,880,256		Forecast/Meter
Gas Schedule (MMBtu)	1,007,872	801,081	997,246	115,836	73,178	270,922	1,220,655	1,254,720	559,063	1,404,033	1,120,776	1,208,566	10,033,949	48,998,747		Forecast/Meter
Emissions Factor (MT/MMBtu)	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054		0		MARS
HVAC/Water Heater (MT)														0		
Monthly MT Emissions (MT)	54,390	43,230	53,816	6,251	3,949	14,620	65,873	67,711	30,170	75,769	60,483	65,220	541,482	2,644,476		derived
Cumulative MT Obligation (MT)	936,661	979,891	1,033,708	1,039,959	1,043,908	1,058,528	1,124,401	1,192,112	1,222,282	1,298,050	474,038	539,258	539,258	539,258		derived
Compliance Instrument Participant Transfers (to LEC)																
Auction Allowances	159,100	0	34,940	16,885	53,452	35,500	33,232	140,431	61,315	4,049	33,452	26,154	598,510	2,773,676		CITSS
Secondary Market Allowances	0	0	0	0	0	0	0	0	0	0	0	0	0	0		CITSS
Reserve Sale Allowances	0	0	0	0	0	0	0	0	0	0	0	0	0	0		CITSS
Offsets	0	0	0	0	0	0	0	0	0	0	0	0	0	0		CITSS
Total Compliance Instrument Participant Transfers (MT)	159,100	0	34,940	16,885	53,452	35,500	33,232	140,431	61,315	4,049	33,452	26,154	598,510	2,773,676		
NCPA Compliance Instrument Purchases (for LEC)																
Auction Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0	47,000		CITSS
Secondary Market Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0	0		CITSS
Reserve Sale Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0	0		CITSS
Offset Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0	0		CITSS
Total NCPA Compliance Instrument Purchases (MT)	0	0	0	0	0	0	0	0	0	0	0	0	0	47,000		
Compliance Instruments Surrendered to CARB (MT)	0	0	0	0	0	0	0	0	0	0	884,495	0	884,495	2,105,218		CITSS
Total Monthly Activity (MT)	159,100	0	34,940	16,885	53,452	35,500	33,232	140,431	61,315	4,049	33,452	26,154	598,510	2,820,676		derived
Cumulative MT Account Balance [MTA] (MT)	1,160,543	1,160,543	1,195,483	1,212,368	1,265,820	1,301,320	1,334,552	1,474,983	1,536,298	1,540,347	689,304	715,458	715,458	715,458		derived
MTA Shortfall (MT)	(223,882)	(180,652)	(161,775)	(172,409)	(221,912)	(242,792)	(210,151)	(282,871)	(314,016)	(242,297)	(215,266)	(176,200)	(176,200)	(176,200)	MTA SHORTFALL	derived

2019 NCPA All Resources Bill LEC GHG Compliance Instrument Detail Report for the Lodi Energy Center																
	Actual	Estimated											Compliance Year 2019	Cumulative Totals		
IDENTIFIER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	Total	Total	Charge Code	Source
Energy (MWh)	146,027	185,840	51,957	0	18,669	194,905	0	0	0	0	0	0	597,398	7,477,654		Forecast/Meter
Gas Schedule (MMBtu)	1,038,014	1,338,048	374,090	0	134,417	1,403,316	0	0	0	0	0	0	4,287,885	53,286,632		Forecast/Meter
Emissions Factor (MT/MMBtu)	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054		0		MARS
HVAC/Water Heater (MT)														0		
Monthly MT Emissions (MT)	56,016	72,208	20,188	0	7,254	75,730	0	0	0	0	0	0	231,396	2,875,872		derived
Cumulative MT Obligation (MT)	595,275	667,483	687,670	687,670	694,924	770,654	770,654	770,654	770,654	770,654	770,654	770,654	770,654	770,654		derived
Compliance Instrument Participant Transfers (to LEC)																
Auction Allowances	88,838	0	0	0	0	0	0	0	0	0	0	0	88,838	2,862,514		CITSS
Secondary Market Allowances	0	0	0	0	0	0	0	0	0	0	0	0	0	0		CITSS
Reserve Sale Allowances	0	0	0	0	0	0	0	0	0	0	0	0	0	0		CITSS
Offsets	0	0	0	0	0	0	0	0	0	0	0	0	0	0		CITSS
Total Compliance Instrument Participant Transfers (MT)	88,838	0	0	0	0	0	0	0	0	0	0	0	88,838	2,862,514		
NCPA Compliance Instrument Purchases (for LEC)																
Auction Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0	47,000		CITSS
Secondary Market Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0	0		CITSS
Reserve Sale Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0	0		CITSS
Offset Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0	0		CITSS
Total NCPA Compliance Instrument Purchases (MT)	0	0	0	0	0	0	0	0	0	0	0	0	0	47,000		
Compliance Instruments Surrendered to CARB (MT)	0	0	0	0	0	0	0	0	0	0	0	0	0	2,105,218		CITSS
Total Monthly Activity (MT)	88,838	0	0	0	0	0	0	0	0	0	0	0	88,838	2,909,514		derived
Cumulative MT Account Balance [MTA] (MT)	804,296	804,296	804,296	804,296	804,296	804,296	804,296	804,296	804,296	804,296	804,296	804,296	804,296	804,296		derived
MTA Shortfall (MT)	(209,021)	(136,813)	(116,626)	(116,626)	(109,372)	(33,642)	(33,642)	(33,642)	(33,642)	(33,642)	(33,642)	(33,642)	(33,642)	(33,642)	MTA SHORTFALL	derived



Lodi Energy Center Project Participant Committee Staff Report

AGENDA ITEM NO.: 11

Date: March 08, 2019

Meeting Date: March 11, 2019

To: Lodi Energy Center Project Participant Committee

Subject: Allied Power Group, LLC – Five Year Multi-Task General Services Agreement and Agreement for Purchase of Equipment, Materials and Supplies; Applicable to the following projects: All NCPA locations and Members, SCPPA, and SCPPA Members

Proposal

Approve the Multi-Task General Services Agreement and Agreement for Purchase of Equipment, Materials and Supplies with Allied Power Group, LLC for inspection and maintenance related services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$2,000,000 over 5 years for use at all facilities owned and/or operated by NCPA, its Members, by the Southern California Public Power Authority ("SCPPA"), or by SCPPA Members.

Background

Inspection and maintenance related services are required from time to time related to project support at facilities owned and/or operated by NCPA, its Members, by the Southern California Public Power Authority ("SCPPA"), or by SCPPA Members.

Selection Process

This enabling agreement does not commit NCPA to any expenditure of funds. At the time services are required, NCPA will bid the specific scope of work consistent with NCPA procurement policies and procedures. NCPA currently has similar agreements in place with Ethos Energy and Sulzer Turbo and seeks bids from multiple qualified providers whenever services are needed. Bids are awarded to the lowest cost provider. NCPA will issue purchase orders based on cost and availability of the services needed at the time the service is required.

Fiscal Impact

Upon execution, the total cost of the agreement is not-to-exceed \$2,000,000 over five years to be used out of NCPA approved budgets as services are rendered. Purchase orders referencing the terms and conditions of the Agreement will be issued following NCPA procurement policies and procedures.

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.

Submitted by:

KEN SPEER
Assistant General Manager
Generation Services

Attachments: (1)
Multi-Task General Services Agreement and Agreement for Purchase of Equipment,
Materials and Supplies with Allied Power Group, LLC



**MULTI-TASK
GENERAL SERVICES AGREEMENT AND AGREEMENT FOR PURCHASE OF
EQUIPMENT, MATERIALS AND SUPPLIES BETWEEN
THE NORTHERN CALIFORNIA POWER AGENCY AND
ALLIED POWER GROUP, LLC**

This agreement for general services and purchase of equipment, materials, and supplies ("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 Allied Power Group, LLC, a LLC, with its office located at 10131 Mills Road, Houston, TX 77070 ("Contractor") (together sometimes referred to as the "Parties") as of _____, 2019 ("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 equipment, materials, and supplies ("Goods") described in the Scope of Work attached hereto as Exhibit A and incorporated herein (both services and Goods collectively referred to as "Work" herein). Contractor shall be responsible at its sole expense for delivering the Goods, as further specified herein, to the specified Project Site, DDP, and title shall not pass until the Agency accepts delivery at the Site. In the event of a conflict or inconsistency between the terms of this Agreement and Exhibit A, this Agreement shall prevail.

- 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 or 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.

For Services: 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.

For Goods: Contractor shall submit invoices, not more often than once a month during the term of this Agreement, based on the cost for Goods delivered prior to the invoice date. Contractor shall include the number of the Purchase Order which authorized the Goods for which Contractor is seeking payment.

All 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 payments, based on invoices received, for Work satisfactorily performed and for authorized reimbursable costs incurred, or for delivery of the Goods, per the delivery terms of this Agreement. 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 \$1,000,000 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 \$1,000,000 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. Intentionally left blank.

4.4 Pollution Insurance. Intentionally left blank.

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 4.5, 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 and 4.5.5, 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.

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 be required to submit to the Agency during the contract period, copies of Public Works payroll reporting information per California Department of Industrial Relations, Form A- 1-131 (New 2-80) concerning work performed under this Agreement.

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 \$50.00 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.

Without limiting the generality of the foregoing, and in addition to any and all warranties provided or implied by law or public policy, or any other warranties provided by Contractor, Contractor warrants that all Goods are free from defects in design and workmanship; comply with applicable federal, state and local laws and regulations; are new, of good quality and workmanship, and free from defects; are suitably safe and sufficient for the purpose for which they are normally used; and are not subject to any liens or encumbrances. Contractor shall provide all Goods in accordance with all applicable engineering, construction and other codes and standards, in accordance with prudent electrical utility standards, and in accordance with the terms of this Agreement applicable to such Goods, all with the degree of high quality and workmanship expected from purveyors engaged in the practice of providing materials and supplies of a similar nature.

In the event of a valid warranty claim, the Contractor shall replace or repair the defective goods and/or services.

- 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 as detailed on each line item of the Purchase Order, 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. In the event of a defect, Agency shall provide clear access to the Work at the installation site; provided, however, that Contractor shall be responsible for any cost related to uncovering, disassembly or reassembly of parts or hardware required for Contractor to perform its warranty obligations.

- 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, SCPA or SCPA 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 Ken Speer, Assistant General Manager, 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:

Allied Power Group, LLC
Attention: Jeremy Clifton, Director of Business Development
10131 Mills Road
Houston, TX 77070

With a copy to:

Elizabeth LaBelle
Senior Client Services Manager
10131 Mills Road
Houston, TX 77070

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

ALLIED POWER GROUP, LLC

Date_____

Date_____

RANDY S. HOWARD,
General Manager

DAVID THIES,
CEO

Attest:

Assistant Secretary of the Commission

Approved as to Form:

Jane E. Luckhardt, General Counsel

EXHIBIT A
SCOPE OF WORK

Allied Power Group, LLC ("Contractor") shall provide inspection and maintenance services/materials as requested by the Northern California Power Agency ("Agency") at any facilities owned or operated by Agency, its Members, Southern California Public Power Authority (SCPPA) or SCPPA members:

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

- Compressor inspections
- Combustion inspections (CI)
- Hot gas path inspection (HGP)
- Steam Turbines inspections
- Major turbine inspections
- Process pumps and compressors
- Turbine overhaul and valve maintenance
- Field machining and Millwright services
- Propose resource requirements for maintenance outages
- Crane support and operation
- Project management, turbine tooling kits, and transportation of all equipment
- Provide engineering and senior technical advisors and support packages as required.

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:

Good Through 6/30/2019

Labor Rates

JOB CLASSIFICATION	STRAIGHT TIME	OVER TIME	DOUBLE TIME
Customer Rep/TFA/PM	\$190.00	\$235.00	\$290.00
Technical Director	\$160.00	\$200.00	\$245.00
Project Coordinator	\$145.00	\$188.00	\$228.00
General Foreman	\$145.00	\$188.00	\$228.00
Foreman	\$140.00	\$179.00	\$218.00
Millwright Journeyman	\$135.00	\$171.00	\$208.00
Crane Operator	\$136.00	\$175.00	\$212.00
Specialty Technician	\$135.00	\$171.00	\$208.00

Tooling and Rental Equipment

EQUIPMENT	DAILY	WEEKLY	CONSUMABLES	FREIGHT
Major Set (Steam/Gas)	\$1,500	\$6,000	\$200/day	Cost +15%
HGP Tool Set	\$1,000	\$5,000	\$150/day	
CI Tool Set/Minor	\$ 750	\$3,500	\$100/day	
Generator Tool Set	\$1,000	\$4,000	\$250/day	
Company Truck	\$ 210		Fuel cost +15%	

NOTES

1. Straight time shall be eight (8) hours per day, Monday through Friday. Over time shall be charged for the first 2 hours over 8 Monday through Friday and the first 10 hours on Saturdays. Double time will be charged for all hours worked in excess of 10 hours Monday through Saturday, Sundays and the following holidays: New Year's Day, Memorial Day, Veterans Day, Independence Day, Labor Day, Thanksgiving Day, the day after Thanksgiving, Christmas Eve and Christmas day.
2. Minimum billable hours Monday – Friday are 8-hrs/day not including federal holidays. Stand by time will be billed at straight time for holidays and weekends if employees are expected to be available for call in. On Saturdays, Sundays and Holidays there will be a 4-hr. minimum show up time whether work is performed or not. There will be a minimum 8 hour if worked more than 4 hrs.
3. Travel time will be billed at 8 hrs. straight time for all non-local resources.
4. Per Diem will be billed at applicable GSA rate and will be charged every day, including travel until individual is released from the job site.
5. All other expenses not quoted separately: travel expense, purchased materials, subcontracted services, and shipping shall be charged at cost + 15%.
6. There will be a company truck charged per shift for Foreman and General foreman to cover the cost of a service truck.
7. Personal auto usage will be billed at \$.60 per mile
8. Tool rental charges start when the tools are off loaded at site and apply until tools are shipped from site.
9. Consumable charges will be billed for each day labor is billed to project and travel.
10. Sub contracted services and engineered parts will be quoted on a case by case basis.
11. Rates dayshift only. Night time rates can be supplied upon request.

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

Allied Power Group, LLC

(Company name)

for contract work at

(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.

**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 establishes 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)



Lodi Energy Center Project Participant Committee

Staff Report

AGENDA ITEM NO.:12

Date: March 08, 2019

Meeting Date: March 11, 2019

To: Lodi Energy Center Project Participant Committee

Subject: Drill Tech Drilling & Shoring, Inc. – Five Year Multi-Task General Services Agreement; Applicable to the following projects: All NCPA locations and Members, SCPPA, and SCPPA Members

Proposal

Approve the Multi Task General Services Agreement with Drill Tech Drilling & Shoring, Inc. for tunnel inspection and maintenance services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$1,000,000 over five (5) years for use at all facilities owned and/or operated by NCPA, its members, by the Southern California Public Power Authority ("SCPPA"), or by SCPPA members.

Background

NCPA has worked with Drill Tech for over 5 years and are satisfied with their technical competence and quality of field work. Most recently, Drill Tech worked with the Hydroelectric facility to maintain infrastructure at the Adit 4 location. Drill Tech provides specialized inspection and maintenance services in order to comply with regulatory requirements and the continued operation of facilities in a safe manner. This contract would be available to all facilities owned and/or operated by NCPA, its members, by the Southern California Public Power Authority ("SCPPA"), or by SCPPA members.

Selection Process

This five year contract does not commit NCPA to any expenditure of funds. When these services are required, NCPA will bid the specific scope of work consistent with NCPA procurement policies and procedures. NCPA currently has in place other enabling agreements with Syblon Reid, Canepa & Sons and Ford Construction for similar services. NCPA will seek bids from as many qualified providers as possible and enter into additional enabling agreements as needed. The bid is awarded to the lowest cost provider. NCPA will issue purchase orders based on cost and availability of the services needed at the time the service is required.

Fiscal Impact

Upon execution, the total cost of the agreement is not-to-exceed \$1,000,000 over five years to be used out of NCPA approved budgets as services are rendered. Purchase orders referencing the terms and conditions of the Agreement will be issued following NCPA procurement policies and procedures.

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.

Submitted by:

KEN SPEER
Assistant General Manager
Generation Services

Attachments (1):

- Multi-Task General Services Agreement with Drill Tech Drilling & Shoring, Inc.



**MULTI-TASK
GENERAL SERVICES AGREEMENT BETWEEN
THE NORTHERN CALIFORNIA POWER AGENCY AND
DRILL TECH DRILLING & SHORING, 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 Drill Tech Drilling & Shoring, Inc., a corporation with its office located at 2200 Wymore Way, Antioch, CA 94509 ("Contractor") (together sometimes referred to as the "Parties") as of _____, 20__ ("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** one million dollars (\$1,000,000) 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 \$1,000,000 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 \$1,000,000 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. Contractor shall maintain professional liability insurance appropriate to Contractor's profession performing work in connection with this Agreement in an amount not less than one million dollars (\$1,000,000.00) and two million dollars (\$2,000,000) aggregate covering the Contractor's errors and omissions. Any deductible or self-insured retention shall not exceed two hundred fifty thousand dollars (\$250,000.00) 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.

4.5 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.

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 be required to submit to the Agency during the contract period, copies of Public Works payroll reporting information per California Department of Industrial Relations, Form A- 1-131 (New 2-80) concerning work performed under this Agreement.

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 \$50.00 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 Ken Speer, Assistant General Manager, 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:

Brett Mainer, Vice President
Drill Tech Drilling & Shoring, Inc.
2200 Wymore Way
Antioch, CA 94509
925-978-2060

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, SCLPA or SCLPA 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

DRILL TECH DRILLING & SHORING, INC

Date_____

Date_____

RANDY HOWARD, General Manager

BRETT MAINER, Vice President

Attest:

Assistant Secretary of the Commission

Approved as to Form:

Jane E. Luckhardt, General Counsel

EXHIBIT A
SCOPE OF WORK

Drill Tech Drilling & Shoring, Inc. ("Contractor") shall provide the following services as requested by the Northern California Power Agency ("Agency") at any facilities owned or operated by the Agency, its Members, SCPPA, or SCPPA Members, including:

- Providing a California State Licensed Tunnel Gas Tester and Tunnel Safety Representative to perform duties required by the CalOSHA Tunnel Safety Orders;
- Participating in tunnel inspections;
- Providing Tunnel Ventilation, lighting, and communication systems in compliance with the CalOSHA Tunnel Safety Orders;
- Providing support tunnel rescue team;
- Perform
 - Rock scaling and slope stabilization;
 - Rock excavation;
 - Tunnel/shaft stability maintenance including rock bolting and shotcreting;
 - Reinforced concrete forming and pouring;
 - Tiedown anchoring;
 - Site dewatering;
 - Earth retention;
 - Ground treatments;
 - Soil nailing;
 - Specialized road maintenance;
 - Design of tunnel stability systems; and
 - Other tunnel and hard-rock safety engineering and maintenance tasks.

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:

Please see attached rate sheet.

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

The rates set forth above are valid from February 2019 and may be subject to an annual escalation of up to 5% per year, effective upon 30 days' prior written notice to NCPA.

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

(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.

EXHIBIT D – NOT APPLICABLE

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)



LEC FY2020 Proposed Budget

Michael DeBortoli
CT Manager
1/10/2019

Contents

- Assumptions
- FY2020 Proposed Budget
- Trend, Routine O&M with Labor
- Current Year Actuals
- FY2020 Proposed Projects
 - Overview and Cost Breakdown
 - O&M Projects
 - Capital Projects
 - Maintenance Reserve Projects
 - Description and Justification of Each Proposed Project
- 10-Year Project Forecast
 - Schedule and Cost
 - Trend, Project Expenditures Including Maintenance Reserve

Assumptions

		FY19	FY20	
Energy Production				
	MWHrs	1,304,122	1,599,464	23%
	Avg Rate (\$/MWHr)	41.72	48.18	15%
Fuel				
	mmBTU	8,933,236	10,956,328	23%
	Avg Rate (\$/mmBTU)	3.77	3.66	-3%
Operations				
	Hours On-line	5,097	6,059	19%
	Starts	110	75	-32%
	Avg Output (MW)	256	264	3%
Labor				
	Staffing Level	27	29	7%

- Capacity Value for project valuations \$48/KW-Yr

FY 2020 – LEC Budget

	FY 2018 Budget	FY 2018 Actual	FY 2019 Budget	Proposed FY 2020 Budget	Increase/ (Decrease)
Routine Variable Costs					
Variable O&M	1,263,067	4,862,143	4,733,380	5,381,629	648,249
Fuel	14,877,170	27,107,773	33,092,116	39,513,147	6,421,031
CAISO Charges	196,309	582,528	550,660	883,969	333,309
Total VOM	16,336,546	32,552,444	38,376,156	45,778,745	7,402,589
MWHr	377,711	1,605,494	1,304,122	1,599,464	
\$/MWHr	44.72	31.07	29.43	28.62	
Routine Fixed Costs					
Fixed	3,336,592	3,998,671	3,443,662	2,646,090	(\$797,572)
Administration	230,934	78,397	205,529	209,845	\$4,316
Mandatory Costs	291,959	388,202	298,336	304,750	\$6,414
Inventory	0	0	0	0	\$0
Total Routine Fixed Costs	3,859,485	4,465,270	3,947,527	3,160,685	(786,842)
Labor	5,051,714	5,068,651	5,284,165	5,558,310	274,145
Non-Variable Routine Total	8,911,199	9,533,921	9,231,692	8,718,995	-512,697
Total Routine O&M Costs	25,247,745	42,086,365	47,607,848	54,497,740	6,889,892

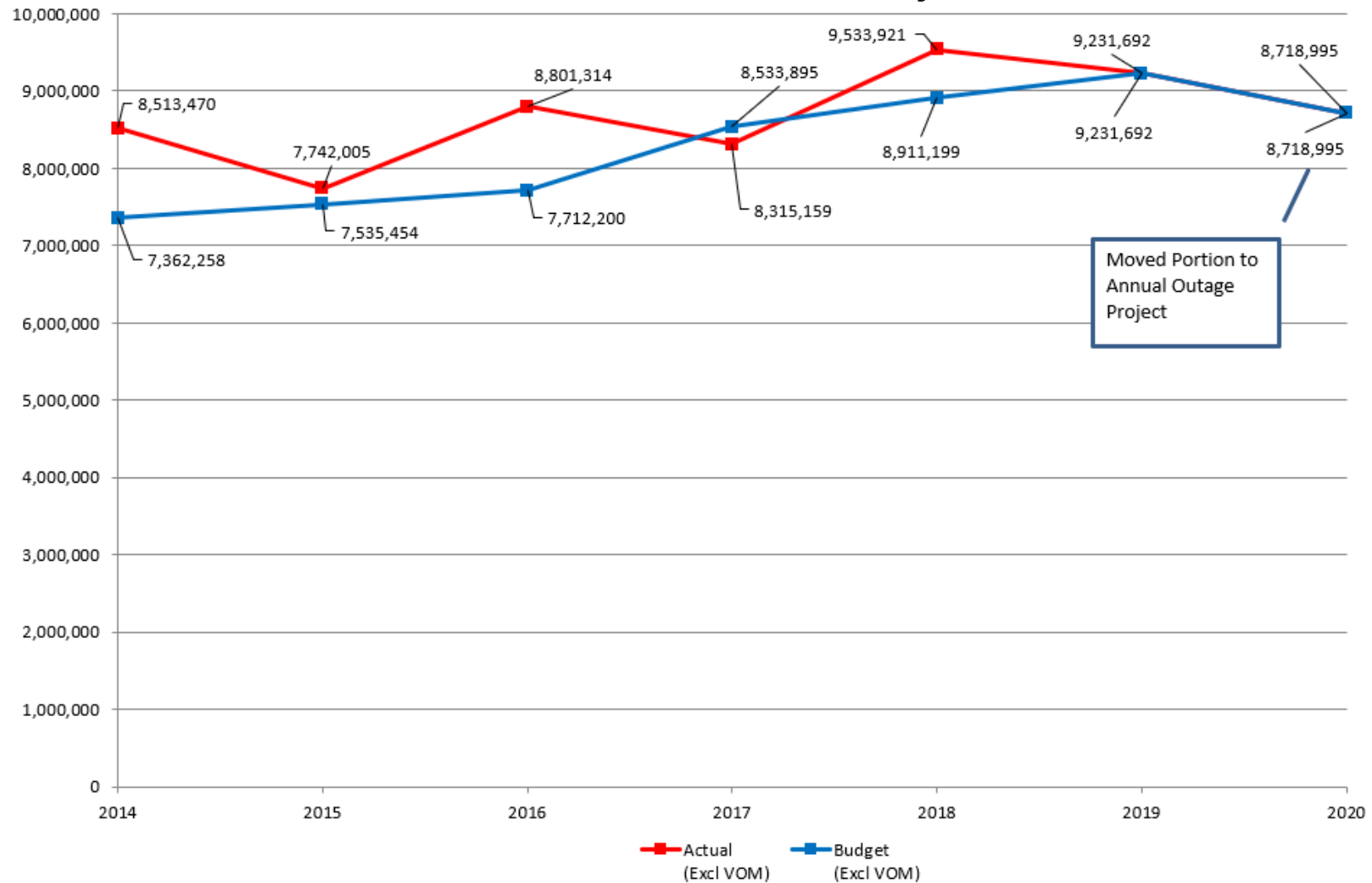
Moved portion to
Outage Project

FY 2020 – LEC Budget

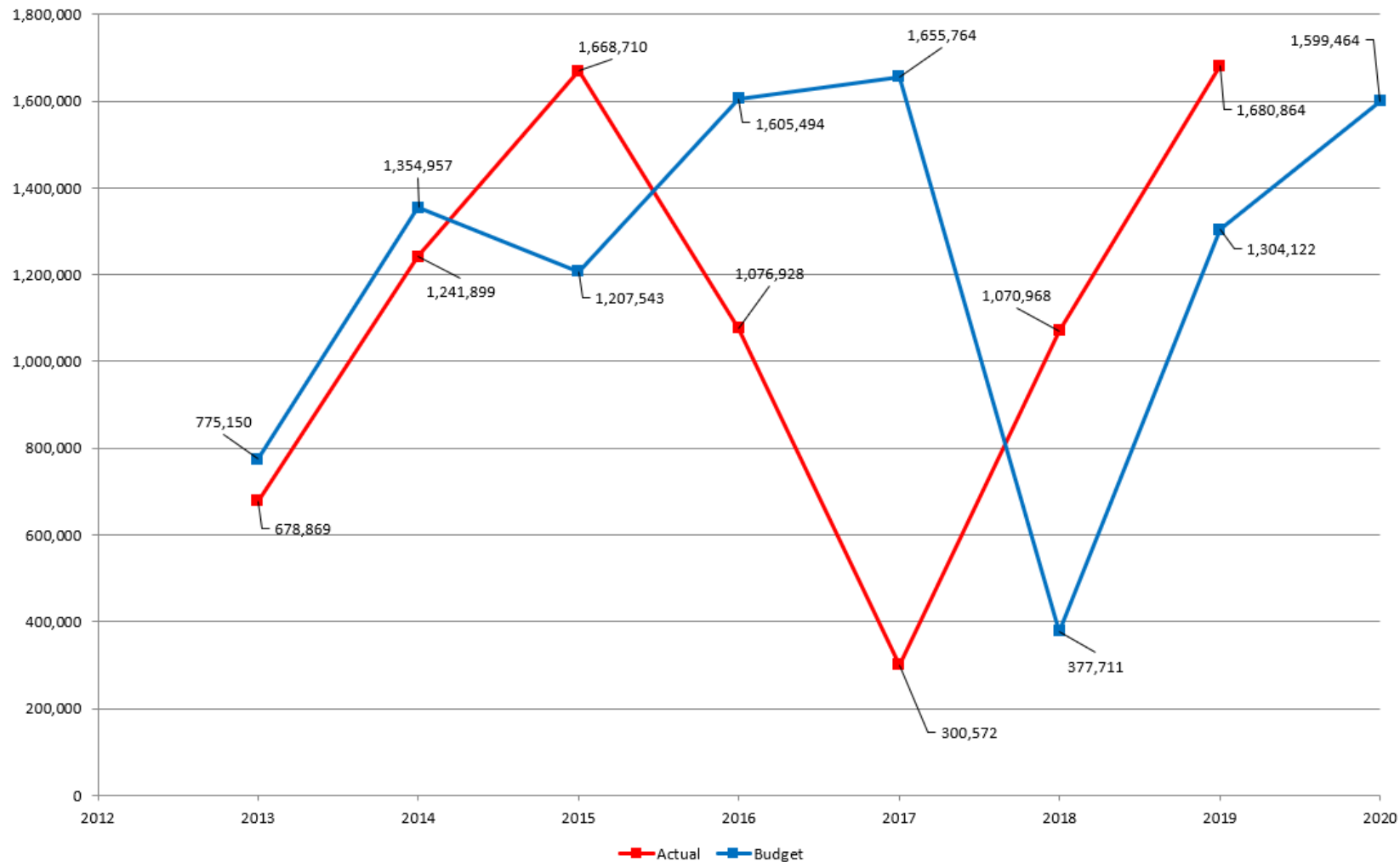
	FY 2018 Budget	FY 2018 Actual	FY 2019 Budget	Proposed FY 2020 Budget	Increase/ (Decrease)
Total Routine O&M Costs	25,247,745	42,086,365	47,607,848	54,497,740	6,889,892
Other Costs					
Debt Service	26,416,640	26,198,432	26,079,852	26,054,428	(25,424)
Other Costs	2,299,310	1,864,082	2,197,036	2,242,596	45,560
Generation Services Shared	359,388	282,637	368,963	339,783	(29,180)
Administrative & General	1,883,356	2,084,184	2,182,080	2,105,792	(76,288)
Total Other Costs	30,958,694	30,429,335	30,827,931	30,742,599	(85,332)
Total O&M Costs	56,206,439	72,515,700	78,435,779	85,240,339	6,804,560
Projects					
Operations & Maintenance	63,652	103,459	52,000	920,683	868,683
Capital	560,000	75,374	100,000	2,915,858	2,215,858
Maintenance Reserve	2,012,800	2,012,800	1,461,107	1,496,174	35,067
Total Projects Costs	2,636,452	2,191,633	1,613,107	5,332,715	3,119,608
Annual Budget Cost	58,842,891	74,707,333	80,048,886	90,573,054	9,924,168
Revenue	20,329,089	51,710,561	53,829,414	74,420,929	20,591,515
Net Cost to Members	38,513,802	22,996,772	26,219,472	16,152,125	(10,667,347)
Capacity Cost (\$/KW-Yr)	138	82	86	53	

Does not include Energy
Purchase \$3,826,263

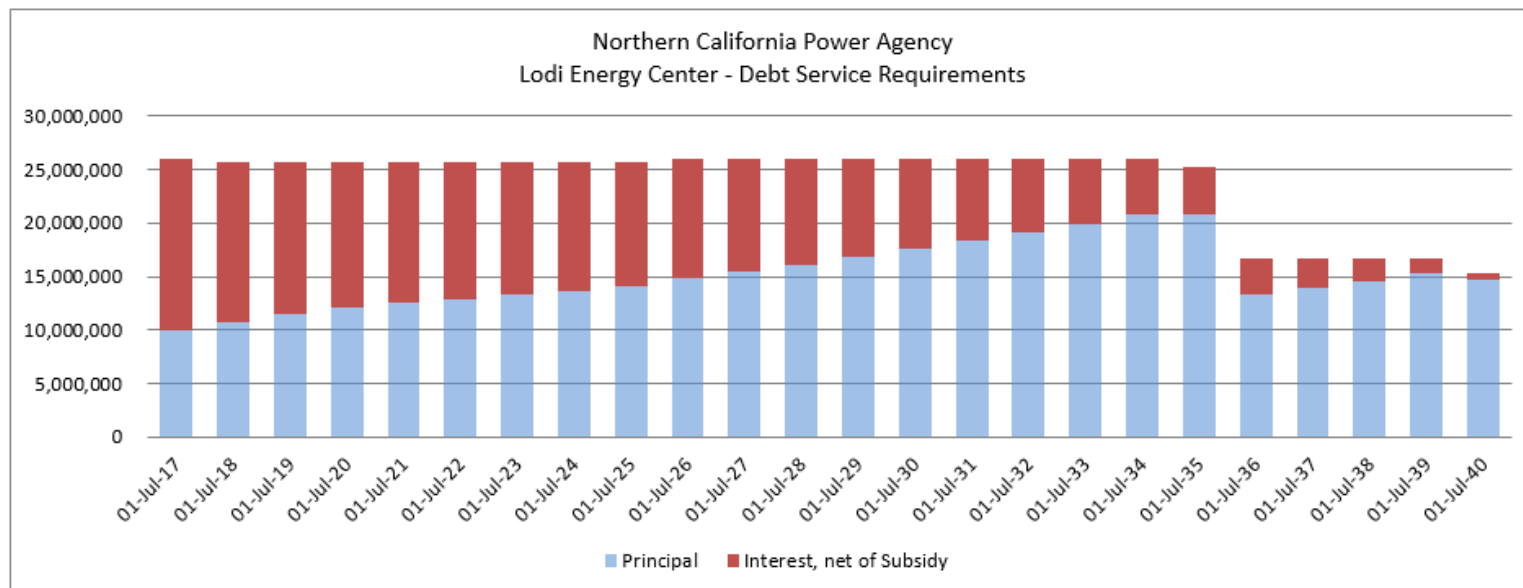
Routine O&M Cost History



Annual Energy Produced (MWH)



Debt Service Requirements



ISSUES 1 & 2

PERIOD ENDING	INTEREST, NET			PERIOD ENDING	INTEREST, NET		
	PRINCIPAL	SUBSIDY	TOTAL		PRINCIPAL	SUBSIDY	TOTAL
7/1/2017	9,983,750	15,971,734	25,955,484	7/1/2029	16,815,000	9,158,674	25,973,674
7/1/2018	10,755,833	15,016,801	25,772,634	7/1/2030	17,537,917	8,435,894	25,973,810
7/1/2019	11,526,667	14,111,559	25,638,225	7/1/2031	18,295,417	7,681,579	25,976,996
7/1/2020	12,079,583	13,560,418	25,640,001	7/1/2032	19,083,333	6,894,193	25,977,526
7/1/2021	12,545,417	13,089,134	25,634,551	7/1/2033	19,905,833	6,072,396	25,978,230
7/1/2022	12,910,417	12,727,861	25,638,278	7/1/2034	20,759,583	5,214,651	25,974,234
7/1/2023	13,277,083	12,355,454	25,632,537	7/1/2035	20,887,083	4,319,583	25,206,667
7/1/2024	13,663,333	11,971,797	25,635,131	7/1/2036	13,317,500	3,413,687	16,731,187
7/1/2025	14,091,250	11,576,311	25,667,561	7/1/2037	13,950,000	2,780,820	16,730,820
7/1/2026	14,818,333	11,150,738	25,969,071	7/1/2038	14,612,917	2,117,895	16,730,811
7/1/2027	15,460,000	10,514,970	25,974,970	7/1/2039	15,310,417	1,423,467	16,733,884
7/1/2028	16,122,500	9,851,260	25,973,760	7/1/2040	14,643,750	695,893	15,339,643

FY 2020 – LEC Proposed Projects

O&M Projects	Notes	
Vehicles (5% Share)	D	3,250
Annual Outage Project	M	917,433
Total		920,683
Capital Projects	Notes	
GSU Transformer (\$4,000,000 total)	S	2,915,858
Total		2,915,858

FY 2020 – GSU Transformer

Project	Notes	Total Cost	FY 2020	FY 2021	FY 2022
GSU Transformer	D	\$4,000,000	\$4,000,000	\$	
Reallocate from T-Line Upgrade			\$1,084,142		
New Budget Amount			\$2,915,858		

Notes:

D	Discretionary
M	Mandatory
CR	Annual deposit to the Capital Reserve

- Internal structural damage
- High Risk Repair
 - Uncertain for success
 - No Warranty Offered
- Option: Ship for offsite repair, requires extended downtime. 6 months RA Loss

Recommended Option:
New: \$4,000,000 perform during outage

Rejected Option:
Rebuild \$1,200,000 plus lost RA for 6 months \$7,300,000.

Do Nothing:
Not a valid option

FY 2020 – Vehicles

Project	Notes	Total Cost	FY 2020	FY 2021	FY 2022
Vehicles (Shared)	D	\$66,500	\$3,250		
	CT1 Share		\$60,000		
	CT2 Share		\$3,250		

Notes:

D	Discretionary
M	Mandatory
CR	Annual deposit to the Capital Reserve

- Vehicle 2006
- 121k Miles
- Transmission Issues
- Engine Issues
- \$16k outstanding repairs



FY 2020 – Project/Reserve Forecast

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
O & M PROJECTS										
Annual Outage Project	917,433	940,369	968,580	997,637	1,027,566	1,058,393	1,090,145	1,122,850	1,156,535	1,191,231
Gas Turbine Insulation		-	275,000	-	-	-	-	-	-	-
HVAC	-	-	40,000	-	-	-	-	-	-	-
Service Water Piping			175,000			200,000				
NFPA Purge Credit		200,000								
Asphalt & Paving Maintenance		80,000								
Vehicles (5% Share)	6,500									
TOTAL O&M PROJECTS	923,933	1,220,369	1,458,580	997,637	1,027,566	1,258,393	1,090,145	1,122,850	1,156,535	1,191,231
CAPITAL PROJECTS										
Platforms (20)		450,000	-	-	-	-	-	-	-	-
Air Filter Puffer System	-	-	-	500,000						
Unidentified Capital Project		500,000	-	-	-	500,000		500,000	500,000	500,000
Clarifier Tank Refurbishment							400,000			
Cooling Tower OH									500,000	
DCS (Software Upgrades)					450,000					
DCS (Hardware Update)	-	-	-	250,000	-	-	-	-	-	-
BOP PLC Upgrades	-	-	125,000	-	-	-	-	-	-	-
GSU Transformer	2,915,858	-	-	-	-	-	-	-	-	-
TOTAL CAPITAL PROJECTS	2,915,858	950,000	125,000	750,000	450,000	500,000	400,000	500,000	1,000,000	500,000
RESERVE FUND SPENDING										
BEGINNING YEAR BALANCE	2,543,687	3,309,861	2,101,942	6,034	157,538	67,598	12,140	487,111	443,481	1,435,873
Combustion Turbine (overhaul)	0	100,000	2,159,760	0	0	0	90,000	0	0	50,000
Steam Turbine	0	0	740,000	0	0	20,000	0	0	0	0
Generators	0	0	0	0	70,000	0	0	0	0	0
Plant Projects	640,000	2,340,000	550,000	1,005,000	1,625,000	520,000	620,000	1,635,000	776,371	620,000
HRSR	90,000	300,000	215,000	450,000	40,000	1,200,000	540,000	175,000	40,000	300,000
TOTAL RESERVE FUND SPENDING	730,000	2,740,000	3,664,760	1,455,000	1,735,000	1,740,000	1,250,000	1,810,000	816,371	970,000
ADDITIONAL FUNDING	1,496,174	1,532,082	1,568,852	1,606,504	1,645,060	1,684,542	1,724,971	1,766,370	1,808,763	1,852,173
END OF YEAR BALANCE	3,309,861	2,101,942	6,034	157,538	67,598	12,140	487,111	443,481	1,435,873	2,318,046
TOTAL O&M, ALL PROJECTS, FUNDING	5,335,965	3,702,451	3,152,432	3,354,141	3,122,627	3,442,935	3,215,116	3,389,220	3,965,298	3,543,404

FY 2020 – LEC VOM Impact

PMOA Schedule 1 Exhibit 2

VOM Impact	Approved FY18 Budget	Approved FY18 VOM	Proposed FY19 Budget	Proposed FY19 VOM	Percent Change
Variable Cost	(\$)	(\$/MWhr)	(\$)	(\$/MWhr)	
Operations	1,541,076	1.15	1,557,016	0.97	-15.4%
LTSA-\$/MWhr	2,543,038	1.95	3,150,944	1.97	1.0%
Maintenance Reserve Variable	273,866	0.21	335,887	0.21	0.0%
Total	4,357,980	3.34	5,043,848	3.15	-5.6%
LTSA-\$/Start			455,719	6,076	
Forecasted Starts				75.00	
Forecasted Generation (MWhr)		1,304,122		1,599,464	22.6%

10 Year Net Cost to Members

	FY2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	
O&M Projects	923,933	1,220,369	1,458,580	997,637	1,027,566	1,258,393	1,090,145	1,122,850	1,156,535	1,191,231	
Capital Projects	2,915,858	950,000	125,000	750,000	450,000	500,000	400,000	500,000	1,000,000	500,000	
Maintenance Reserve Funding	1,496,174	1,532,082	1,568,852	1,606,504	1,645,060	1,684,542	1,724,971	1,766,370	1,808,763	1,852,173	
O&M /Debt excl VOM	34,773,423	34,947,803	35,125,670	35,307,095	35,492,149	35,680,903	35,873,433	36,069,813	36,270,120	36,474,434	
A&G	4,688,171	4,781,934	4,877,573	4,975,125	5,074,627	5,176,120	5,279,642	5,385,235	5,492,940	5,602,798	
Revenues net of VOM	21,147,415	21,570,363	22,001,771	22,441,806	22,890,642	23,348,455	23,815,424	24,291,733	24,777,567	25,273,119	Includes GHG Estimate
Net Cost to Members	23,650,144	21,861,825	21,153,905	21,194,555	20,798,760	20,951,503	20,552,766	20,552,534	20,950,791	20,347,518	
Capacity Cost (\$/KW-Yr)	78	72	70	70	68	69	68	68	69	67	
Capacity Value @ \$48/KW-Yr	14,592,000	15,029,760	15,480,653	15,945,072	16,423,425	16,916,127	17,423,611	17,946,319	18,484,709	19,039,250	
Capacity Value @ \$207/KW-Yr	62,928,000	64,815,840	66,760,315	68,763,125	70,826,018	72,950,799	75,139,323	77,393,503	79,715,308	82,106,767	

