



12745 N. Thornton Road  
Lodi, CA 95242

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## LEC PPC Agenda

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**Date:** August 7, 2017  
**Subject:** August 14, 2017 Lodi Energy Center Project Participant Committee Meeting  
**Location:** 12745 N. Thornton Road, Lodi, CA and/or Posted Teleconference Locations  
**Time:** 10:00 a.m.

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\*\*\* 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 <sup>th</sup> 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 Road Glenwood Springs, CO 81601
CALIFORNIA DEPARTMENT OF WATER RESOURCES 2135 Butano Drive, Suite 100 Room 125 Sacramento, CA 95825	SILICON VALLEY POWER/CITY OF SANTA CLARA 1500 Warburton Avenue, Santa Clara, CA 95050	CITY OF UKIAH 300 Seminary Avenue Ukiah, CA 95482

*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](http://www.ncpa.com)*

**1. 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.

**2. Meeting Minutes** - Approval of July 10, 2017 regular meeting minutes.

**MONTHLY REPORTS**

**3. Operational Report for July 2017** - (Jeremy Lawson)

**4. Market Data Report for July 2017** – Verbal Report (Mike Whitney)

**5. Monthly Asset Report for June 2017** – (Michael DeBortoli)

**6. Bidding Strategies Report** - Verbal Report and update regarding bidding strategies and regulation down revenues – (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.

**7. Treasurer's Report for July 2017** - Accept by all Participants

**8. Financial Report for July 2017** - Approve by all Participants

**9. GHG Reports (excerpted from monthly ARB)** - Accept by all Participants

**10. Martech First Amendment** – Staff is seeking approval of a First Amendment to the existing five year Multi-Task General Services Agreement for various machining services required for

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plant operations, modifying the not to exceed amount from \$200,000 to \$550,000 and adding for use at all facilities owned and/or operated by NCPA, its Members, SCPPA, and SCPPA Members.

- 11. Avogadro Group, LLC First Amendment** – Staff is seeking approval of a First Amendment to the existing five year Multi-Task General Services Agreement for various testing services, modifying vendor name and adding for use at Members and SCPPA.
- 12. Summit Crane MTGSA** – Staff is seeking approval of a Multi-Task General Services Agreement with Summit Crane Company of Solano Inc. dba Summit Crane, for crane services, with a not to exceed amount of \$500,000, for use at all facilities owned and/or operated by NCPA, its Members, SCPPA, and SCPPA Members.
- 13. Kinectrics North America, Inc. MTPSA** – Staff is seeking approval of a Multi-Task Professional Services Agreement with Kinectrics North America, Inc., for field services testing and assessment related to major systems support and plant operations, 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.

Consent Items pulled for discussion: \_\_\_\_\_

### **BUSINESS ACTION ITEMS**

None

### **INFORMATIONAL/ DISCUSSION ITEMS**

- 14. Shared Capacity Reimbursement Methodologies** – Staff will discuss reimbursement methodologies for situations where shared capacity is allocated to a single project. (*Ken Goeke*)
- 15. Update on NCPA Policy on Revenue Allocation** – Staff will provide an update on policy development for allocating revenues to Members resulting from NCPA's provision of Power Management and Administrative services to third parties. (*James Takehara*)
- 16. PG&E Gas Transportation Update** – Staff will provide an update on the NCGC petition for modification, GT&S 19 Rate Case, and other related matters. (*Ken Speer*)
- 17. Additional Operational Updates** – Staff will provide an update on issues related to Operations.

### **ADJOURNMENT**

Next Regular Meeting: September 11, 2017

*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.*

**Lodi Energy Center**  
**Project Participant Committee Regular Meeting**  
**July 10, 2017 - MEETING MINUTES**  
 Location: Lodi Energy Center  
 12745 N. Thornton Rd, Lodi CA 95242  
 and by teleconference  
 10:00 A.M.

**1. Call Meeting to Order and Roll Call**

The PPC meeting was called to order at 10:00 a.m. by Chairman George Morrow. He asked that roll be called for the Project Participants as listed below.

<b>PPC Meeting Attendance Summary</b>		
<b>Participant</b>	<b>Attendance</b>	<b>Particulars / GES</b>
Azusa - Morrow	Present	2.7857%
BART - Lloyd	Absent	6.6000%
Biggs - Sorenson	Present	0.2679%
CDWR - Forsythe	Present	33.5000%
Gridley - Borges	Absent	1.9643%
Healdsburg - Crowley	Absent	1.6428%
Lodi - Chiang	Present	9.5000%
Lompoc - Singh	Absent	2.0357%
MID - Costalupes	Present	10.7143%
Plumas-Sierra - Brozo	Absent	0.7857%
PWRPA - Bradley	Absent	2.6679%
SVP - Hance	Present	25.7500%
Ukiah - Grandi	Absent	1.7857%
<b>Summary</b>		
Present	6	82.5179%
Absent	7	17.4821%
Quorum by #:	No	
Quorum by GES:	Yes	
Meeting Date:	July 10, 2017	

**Public Forum**

Chairman Morrow 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 of the regular meeting held on June 12, 2017 were considered. The LEC PPC considered the following motion:

**Date:** 7/10/2017

**Motion:** The PPC approves the minutes of the June 12, 2017 regular meeting as presented or *including any edits discussed at today's meeting.*

**Moved by:**

**Lodi**

**Seconded by:**

**Santa Clara**

Discussion: 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	Absent	2.6679%
Silicon Valley Power	Yes	25.7500%
Ukiah	Absent	1.7857%
<b>Vote Summary</b>		
Total Ayes	6	82.5179%
Total Noes	0	0.0000%
Total Abstain	0	0.0000%
Total Absent	7	17.4821%
Result:	Motion passed	

## MONTHLY REPORTS

### 3. Operational Reports for May 2017

Mike DeBortoli presented the Operational Report for June. There were no OSHA recordable accidents, no NERC/WECC violations and no forced outages, despite the increased demand due to the June heat wave. Mike DeBortoli also reviewed the 2018 Outage Schedule for ST/CT inspections.

The operational report reflected monthly production of 34,708 MWH, 247 service hours, and equivalent operating availability of 100%. The report set for the Capacity Factor @ 280MW Pmax of 17.2% and 302MW Pmax of 16%. There were zero hot starts, twelve warm start, and four cold starts during the month.

#### **4. Market Data Report for May 2017**

Mike Whitney presented the operating and financial settlement results for the month. LEC was committed to CAISO 15 out of 30 available days.

#### **5. Monthly Asset Report**

Mike DeBortoli presented the monthly asset report for May 2017. Mike reported that May 2017 was upside down (\$400,000 less than anticipated for scheduled outage). Mike reviewed the monthly historical comparisons as well as the 12-month history.

#### **6. Bidding Strategies Report**

Ken Goeke reviewed the monthly Bidding Strategies data for June 2017. Ken reviewed bidding and calculating net start-up costs. The June heat wave resulted in very high daily margins from June 16<sup>th</sup> – June 27<sup>th</sup>. Ken reported that daily data results are available for review on the LEC PPC extranet site. Ken reiterated that the data contained in the reports should be considered confidential, as it contains bidding strategies.

#### **Consent Calendar (Items 7 – 15)**

The consent calendar was considered. Chairman Morrow 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:** 7/10/2017

**Motion:** The PPC approves the Consent Calendar items consisting of agenda items no. 7. Treasurer's Report for June 2017; 8. Financial Reports for June 2017; 9. GHG Reports excerpted from monthly ARB; 10. Compliance Services, Inc. First Amendment to the existing five year Multi-Task General Services Agreement for pipeline hazardous materials safety administration for \$1,500,000, modifying the scope of work to expand for additional services for use at any facility owned and/or operated by NCPA, its Members, SCPPA, and SCPPA Members; 11. TCB Industrial, Inc. five year Multi-Task General Services Agreement for mechanical, millwright and civil maintenance services on operating equipment not to exceed \$1,000,000 for use at any facility owned and/or operated by NCPA, its Members, SCPPA, and SCPPA Members.

**Moved by:** MID  
**Seconded by:** Lodi

Discussion: 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	Absent	2.6679%
Silicon Valley Power	Yes	25.7500%
Ukiah	Absent	1.7857%
<b>Vote Summary</b>		
Total Ayes	6	82.5179%
Total Noes	0	0.0000%
Total Abstain	0	0.0000%
Total Absent	7	17.4821%
Result:	Motion passes.	

## **BUSINESS ACTION ITEMS**

None

## **INFORMATIONAL ITEMS**

### **12. Outage Schedule**

Mike DeBortoli shared the proposed outage schedule for 2018. The outage schedule was being presented as an informational item this month, but Mike will be seeking approval from the PPC in next month's meeting. Ken Speer told PPC that there is room for adjustment in the current schedule. The final schedule needs to be filed with CAISO by October.

### **13. Update on NCPA Policy on Revenue Allocation**

James Takehara presented an update to the Committee on the revenue allocation issue. The final proposal was presented to the UD's on June 15<sup>th</sup>, and was well received. The UD's recommended bringing it before the Commission in the August meeting.

James gave an updated on the potential implementation timeline. As the FY18 budget has already been prepared and approved, staff is recommending addressing revenue allocation to non-Members during the FY18 budget true up at the end of the year.

James explained that revenues will be mapped based on services being provided. He cautioned that Committee members may see a different proportion allocated to them from contract to contract as a result (future allocations may change).

James does not anticipate having any updates for the August LEC PPC meeting, but will likely have an update for the September LEC PPC meeting (after the August Commission Meeting).

#### **14. LEC Gas Transportation Update**

Ken Speer gave a summary update on the LEC gas transportation issue. NCPA filed a petition for modification to the rate structure in June. NCPA has asked the CDC to consider greenhouse gas production prior to making future rate decisions.

Ken has met with PG&E to negotiate a special rate for LEC. PG&E appeared receptive at these meetings; Ken anticipates it will take about 2 months to negotiate a rate. Ken explained the rate proposal to the LEC PPC Committee.

Ken also gave the Committee background on the 19 Rate Case that PG&E just filed. The main drivers for this new Rate Case are new regulations for gas storage facilities that have come out of the Dogger Regulations. PG&E is proposing a shift to have 20% of storage costs covered by their core customers, with the remaining 70% to be covered by the backbone. Additionally, PG&E is proposing daily balancing, as opposed to monthly balancing.

#### **20. Additional Operational Updates**

None

#### **Adjournment**

The next regular meeting of the PPC is scheduled for Monday, August 14, 2017.

The meeting was adjourned at 11:00am.

Submitted by: Michelle Schellentrager





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## **Lodi Energy Center Project Participant Committee Operational Report**

**Agenda Item No.: 3**

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**Date:** 08/14/2017  
**To:** Lodi Energy Center Project Participant Committee

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### **Safety**

- OSHA Recordable: 0 Accidents

### **Notice of Violations**

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

### **Outage Summaries:**

- July 19<sup>th</sup>, 20<sup>th</sup>, 21<sup>st</sup>, and 22<sup>nd</sup> (61hours) forced out of service due to water supply curtailment.
- July 29<sup>th</sup> and 30<sup>th</sup> (7 hours) forced out of service due to an inlet guide vane (IGV) servo actuator positioning error.

### **Planned Outage Summaries:**

- 2018 – Planning April/May Outage Time Frames and Scope

**Generating Unit Statistics:****Report  
Date:**

7/1/2017

1. Monthly Production 52,294 MWH
2. Productivity Factor
  - a. Service Hours 249 Hours
  - b. Service Factor 33.4 %
  - c. Capacity Factor @ 280MW Pmax 25.1 %
  - d. Capacity Factor @ 302MW Pmax 23.3 %
3. Equivalent Operating Availability (EOA) 90.9 %
4. Forced Outage Rate (FOR)
  - a. Total LEC Plant FOR 21.5 %

## 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	0	0.00%	142	-\$3,910
Seg. 3 275 - 284	6971	6,932	-0.56%	2,347	-\$364
Seg. 4 250 - 275	7081	6,965	-1.64%	16,315	-\$7,578
Seg. 5 225 - 250	7130	7,034	-1.34%	4,693	-\$1,797
Seg. 6 200 - 225	7200	7,149	-0.70%	2,953	-\$597
Seg. 7 175 - 225	7450	7,416	-0.46%	3,800	-\$519
Seg. 8 165 - 175	7760	7,723	-0.48%	1,948	-\$290
	7,164	7,203	-0.86%	32,197	-\$15,055

## 6. AGC Control Deviation

MW Range	High Dev MWH	Low Dev MWH	Total Dev MWH	Cost \$
<b>Bad AGC Data for May</b>				
Seg. 1 296 +	0	0	0	\$0
Seg. 2 284 - 296	0	0	0	\$0
Seg. 3 275 - 284	10	-84	94	\$2,602
Seg. 4 250 - 275	51	-228	279	\$7,780
Seg. 5 225 - 250	27	-13	40	\$1,123
Seg. 6 200 - 225	22	-18	40	\$1,148
Seg. 7 175 - 225	27	-35	62	\$1,849
Seg. 8 165 - 175	5	-3	7	\$226
	141	-382	523	\$14,728

## 7. Starting Reliability

Start Type	Hot Starts	Warm Starts	Cold Starts
Number of Starts	0	21	2
Start Time Benchmark (Minutes)	75	110	200
Start Time Actual (Average Minute)	0	149	133
Start Time Deviation (%)	0%	35%	-33%
Start Fuel Benchmark PMOA (mmBTU)	1,300	1,800	3,500
Start Fuel Actual (Average mmBTU)	1,300	1,657	2,651
Fuel Deviation (%)	0%	-8%	-24%
Costs of Fuel Deviations (\$)	\$0	-\$570	-\$3,397

**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 =  $(Actual\ Fuel\ Consumed - Expected\ Fuel) \times Cost\ of\ Fuel$

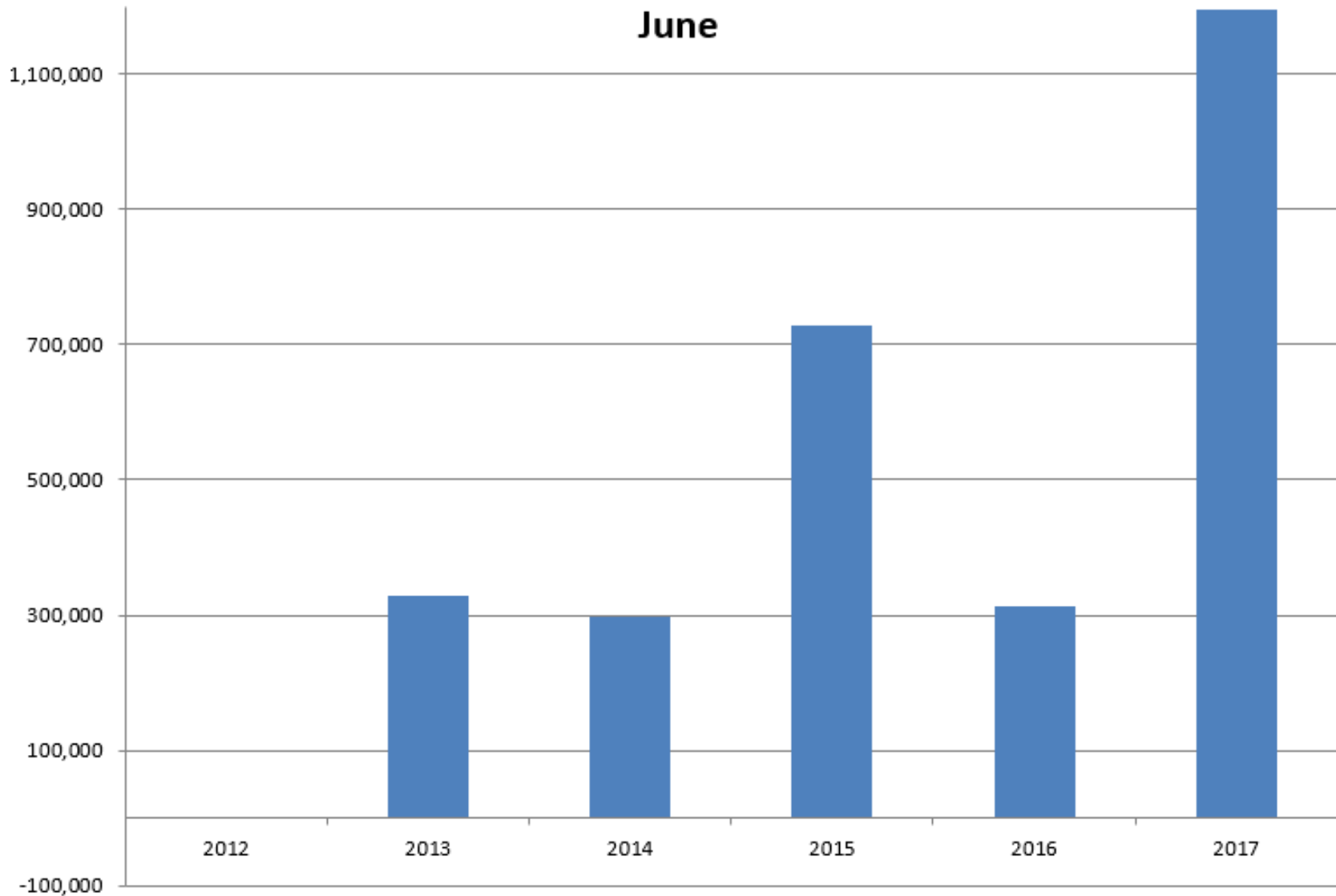


# June Asset Report

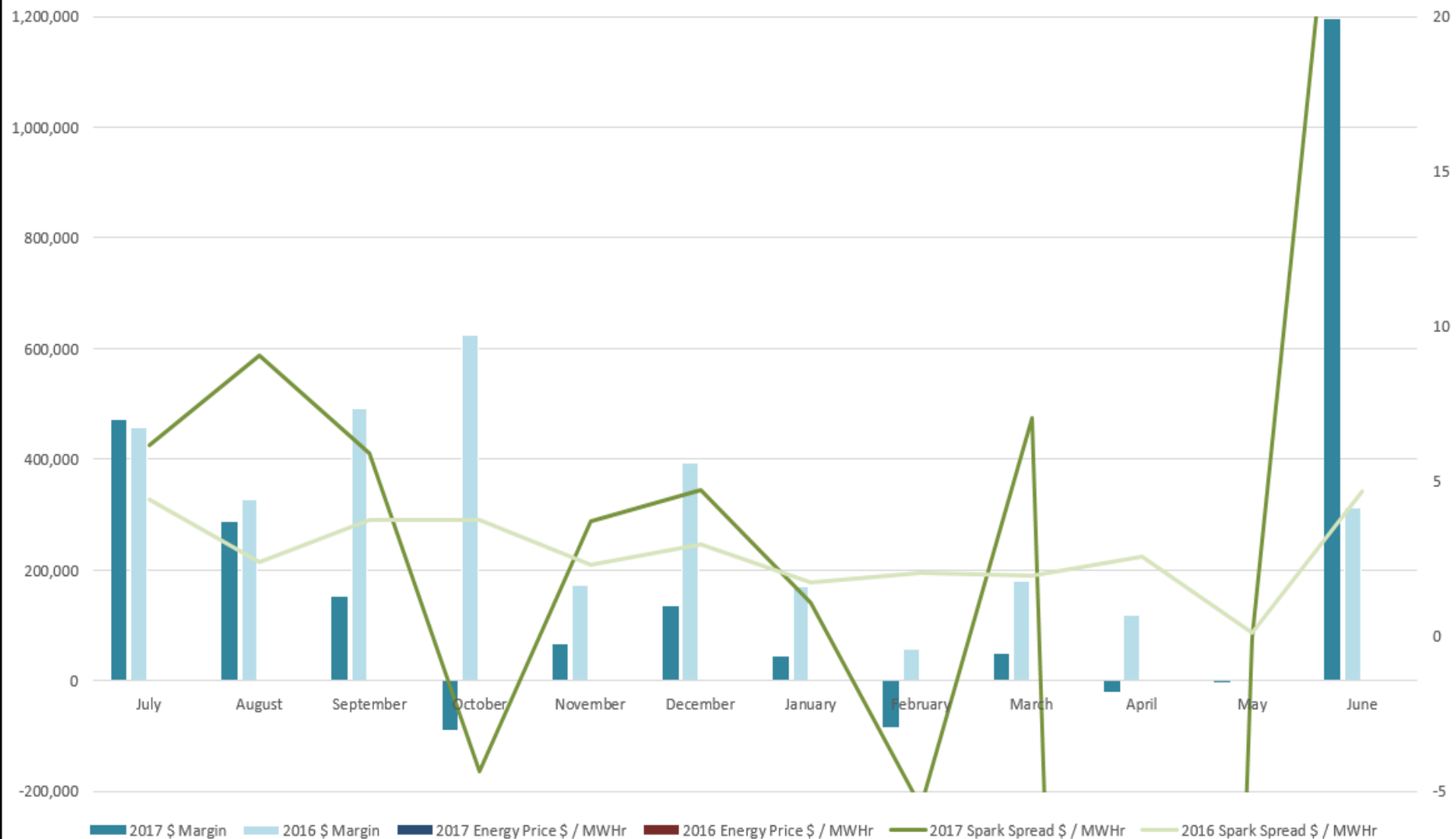
	Most Recent			Above / (below)	Percent Difference	
	Actual	Forecast	Budget	Forecast	Above / (below)	
Revenue	2,634,639	102,438	4,791,708	2,532,201	2472%	
VOM	1,856,987	88,198	4,039,157	1,768,789	2005%	
Fixed	665,329	732,445	924,014	(67,116)	-9%	
Projects	131,250	131,250	233,750	0	0%	
A&G	168,813	200,538	200,535	(31,725)	-16%	
Debt	2,202,269	2,203,105	2,203,105	(836)	-0.04%	
Net Cost	(2,390,010)	(3,253,098)	(2,808,853)	863,088	-27%	
Net Annual Cost		(35,271,036)	(31,768,945)	(\$3,502,091)		
				Above budget by 11.02%		

# Historical Margins

June



## Historical Monthly Comparison



Lodi Energy Center  
Monthly Budget Analysis  
Expenditures  
Report Date: 07/31/2017

	July	August	September	October	November	December	January	February	March	April	May	June	Year	FY2017 Budget	Percent Used	Comments
VOM	2,309,456	1,310,062	1,067,517	880,839	1,231,873	1,231,811	2,131,793	627,467	342,036	360,158	168,646	1,856,987	13,518,644	57,881,217	23.4%	
Capacity Factor	36%	15%	13%	10%	9%	14%	17%	8%	3%	0%	2%	17%	12%	67%	17.7%	All VOM affected by market
Fuel Consumed (mmBTU, estimated)	552,311	236,335	193,710	159,185	135,099	215,559	303,645	115,682	59,078	0	29,813	273,414	2,273,831	11,341,990	20.0%	
Avg Fuel Cost (\$/mmBTU)	3.44	4.30	4.54	4.47	3.71	4.84	4.71	4.16	4.14	0.00	4.33	4.17	4.17	3.89	107.2%	
Power Produced (MWHr, estimated)	76,008	31,654	25,598	20,635	17,488	28,418	38,917	15,337	7,087	0	3,437	35,997	300,576	1,655,765	18.2%	
Avg Power Price (\$/MWHr)	39.13	49.26	48.59	44.86	40.96	49.41	47.08	34.47	50.89	0.00	46.95	73.19	47.71	41.58	114.7%	
Operations / Variable / LTSA	3,746	120,596	43,703	52,563	631,450	30,387	456,472	54,598	51,088	360,128	13,343	483,284	2,301,358	5,106,876	45.1%	
Fuel (estimated)	1,901,128	1,015,383	879,760	711,673	500,907	1,043,138	1,429,737	480,703	244,594	0	128,953	1,140,433	9,476,408	44,100,578	21.5%	
AB32 GHG Offset (estimated)	373,676	161,082	133,422	109,084	92,576	147,027	217,332	84,609	43,022	0	22,555	209,632	1,594,017	8,001,632	19.9%	
CA ISO Charges (estimated)	30,906	13,001	10,632	7,520	6,940	11,259	28,251	7,557	3,332	30	3,796	23,638	146,861	672,131	21.9%	
Routine O&M (Fixed)	653,248	687,516	827,171	1,037,693	1,138,906	1,000,113	1,149,838	671,145	776,095	796,108	781,223	665,329	10,184,385	11,088,367	91.8%	
Maintenance / Fixed	141,434	207,472	302,678	412,565	631,509	179,679	222,819	205,299	313,528	270,795	186,645	151,711	3,226,134	3,250,596	99.2%	
Administration	8,597	10,027	2,573	6,262	4,978	6,860	3,326	4,907	2,207	8,149	5,995	2,950	66,831	226,663	29.5%	1) Reduced staff development / travel for market 2) Reduced computer / office equip for market
Mandatory Costs	33,146	1,783	76,294	7,023	28,136	5,905	11,508	3,148	9,411	61,916	17,823	32,462	288,555	291,357	99.0%	
Inventory Stock	0	0	0	28,566	3,890	199,103	0	0	3,716	0	2,547	24,071	261,893	400,000	65.5%	
Labor	359,440	330,374	334,995	464,326	338,452	366,142	331,043	338,935	336,602	344,617	452,840	343,504	4,341,270	4,765,279	91.1%	1) One unfilled position for market conditions 2) One position vacant 25% year 3) CT1 Used more Labor
Insurance	0	0	0	8,320	15,000	128,351	470,511	1,915	0	0	0	0	624,097	770,000	81.1%	Excellent CT operation allowed better bids
Power Management & Settlements	110,631	110,631	110,631	110,631	110,631	110,631	110,631	110,631	110,631	110,631	110,631	110,631	1,327,572	1,327,566	100.0%	
Other Costs	0	27,229	0	0	6,310	3,442	0	6,310	0	0	4,742	0	48,033	56,906	84.4%	
Projects	135,218	228,984	131,250	133,304	199,951	131,250	140,227	131,250	135,579	131,914	131,250	131,250	1,761,427	2,805,000	62.8%	
Maintenance Reserve	131,250	131,250	131,250	131,250	131,250	131,250	131,250	131,250	131,250	131,250	131,250	131,250	1,575,000	1,575,000	100.0%	
Operations & Maintenance Projects	3,968	0	0	0	0	0	0	0	0	0	0	0	3,968	30,000	13.2%	Projects deferred due to poor market.
Capital Projects	0	97,734	0	2,054	68,701	0	8,977	0	4,329	664	0	0	182,459	1,200,000	15.2%	Projects deferred due to poor market.
A&G	137,131	111,701	370,459	191,456	150,403	143,237	152,254	161,574	150,940	148,939	205,106	168,813	2,092,013	2,406,453	86.9%	
Administrative & General (Allocated)	122,215	97,959	346,453	168,615	129,768	122,107	129,957	141,142	124,690	129,072	176,932	145,672	1,834,582	2,063,039	88.9%	
Generation Services Shared	14,916	13,742	24,006	22,841	20,635	21,130	22,297	20,432	26,250	19,867	28,174	23,141	257,431	343,414	75.0%	
Total O&M Cost	3,235,053	2,338,263	2,396,397	2,243,292	2,721,133	2,506,411	3,574,112	1,591,436	1,404,650	1,437,119	1,286,225	2,822,379	27,556,470	74,181,037	37.1%	
Debt Service	2,199,759	2,199,759	2,199,759	2,199,759	2,202,269	2,202,269	2,202,269	2,202,269	2,202,269	2,202,269	2,202,269	2,202,269	26,417,188	26,437,261	99.9%	
Revenues	7,334,108	1,560,351	1,243,718	925,677	716,295	1,404,190	1,832,194	528,735	360,907	291	161,517	2,634,639	18,702,622	68,849,353	27.2%	
ISO Energy Sales (estimated)	2,974,197	1,559,271	1,243,718	925,677	716,230	1,404,190	1,832,194	528,735	360,646	30	161,354	2,634,639	14,340,881	68,846,223	20.8%	Market weaker than budgeted.
Other Income	4,359,911	1,080	0	0	65	0	0	0	261	261	163	0	4,361,741	3,130		
Net	\$1,899,296	(\$2,977,671)	(\$3,352,438)	(\$3,517,374)	(\$4,207,106)	(\$3,304,490)	(\$3,944,187)	(\$3,264,970)	(\$3,246,012)	(\$3,639,097)	(\$3,326,977)	(\$2,390,010)	(\$35,271,036)	(\$31,768,945)	Above budget by 11.02%	



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# LEC Treasurer's Report

AGENDA ITEM NO.: 7

**Date:** August 14, 2017  
**To:** LEC Project Participant Committee  
**Subject:** Treasurer's Report for the Month Ended July 31, 2017

In compliance with NCPA policy and State of California Government Code Sections 53601 and 53646(b), the following monthly report is submitted for your information and acceptance.

Cash - At month end cash totaled \$42,199.

Investments - The carrying value of the LEC's investment portfolio totaled \$27,656,408 at month end. The current market value of the portfolio totaled \$27,540,312.

The overall portfolio had a combined weighted average interest rate of 1.613% with a bond equivalent yield (yield to maturity) of 1.30%. Investments with a maturity greater than one year totaled \$17,228,000. During the month \$5.7 million was invested.

Funds not required to meet annual cash flow are reinvested and separately reported as they occur.

Interest Rates - During the month, rates on 90 day T-Bills increased by 11 basis points (from 1.02% to 1.13%) and rates on one year T-Bills increased by 1 basis point (from 1.22% to 1.23%).

To the best of my knowledge and belief, all securities held by LEC as of July 31, 2017 are in compliance with the Agency's investment policy. There are adequate cash flow and investment maturities to meet next month's cash requirements.

## Environmental Analysis

The Treasurer's report will not result in a direct or reasonably foreseeable indirect change in the physical environment and is therefore not a "project" for purposes of Section 21065 of the California Environmental Quality Act. No environmental review is necessary.

Respectfully submitted,

MONTY HANKS  
Assistant General Manager/CFO  
Administrative Services/Finance

Prepared by:

SONDRA AINSWORTH  
Treasurer-Controller

Attachments



# **LODI ENERGY CENTER**

## **TREASURER'S REPORT**

**JULY 31, 2017**

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**Northern California Power Agency/Lodi Energy Center  
Treasurer's Report  
Cash & Investment Balance  
July 31, 2017**

	CASH	INVESTMENTS	TOTAL	PERCENT	INVESTMENTS at MARKET
<b>MANDATORY FUNDS</b>					
Debt Service Account	-	4,427,241	4,427,241	15.98%	4,426,805
Debt Service Reserve	-	12,020,118	12,020,118	43.40%	11,978,025
O & M Reserve	-	11,137,206	11,137,206	40.21%	11,063,639
	-	27,584,565	27,584,565	99.59%	27,468,469
<b>ADDITIONAL PROJECT FUNDS</b>					
GHG Cash Account	-	71,843	71,843	0.26%	71,843
Transmission Upgrade Escrow <sup>1</sup>	42,199	-	42,199	0.15%	-
Participant Deposit Account	-	0	0	0.00%	-
	<b>\$ 42,199</b>	<b>\$ 27,656,408</b>	<b>\$ 27,698,607</b>	<b>100.00%</b>	<b>\$ 27,540,312</b>

**NOTE A -Investment amounts shown at book carrying value.**

<sup>1</sup> Amount held in escrow

**Northern California Power Agency/Lodi Energy Center**  
**Treasurer's Report**  
**Cash Activity Summary**  
**July 31, 2017**

	RECEIPTS			EXPENDITURES			CASH
	OPS/CONSTR	INTEREST (NOTE B)	INVESTMENTS (NOTE A)	OPS/CONSTR	INVESTMENTS (NOTE B)	INTER-COMPANY/ FUND TRANSFERS	INCREASE / (DECREASE)
<b>MANDATORY FUNDS</b>							
Debt Service Account	\$ -	\$ 39	\$ 1,053	\$ -	\$ (2,205,753)	\$ 2,204,661	-
Debt Service Reserve	-	(12,816)	3,497,317	-	(3,484,501)	-	-
O & M Reserve	-	4,823	-	-	(4,823)	-	-
	-	(7,954)	3,498,370	-	(5,695,077)	2,204,661	-
<b>ADDITIONAL PROJECT FUNDS</b>							
GHG Cash Account	-	165	(165)	-	-	-	-
Transmission Upgrade Escrow <sup>1</sup>	-	7	-	-	-	-	7
Participant Deposit Account	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ (7,782)</b>	<b>\$ 3,498,205</b>	<b>\$ -</b>	<b>\$ (5,695,077)</b>	<b>\$ 2,204,661</b>	<b>\$ 7</b>

NOTE A -Investment amounts shown at book carrying value.

NOTE B -Net of accrued interest purchased on investments.

<sup>1</sup> Amount held in escrow

**Northern California Power Agency/Lodi Energy Center  
Treasurer's Report  
Investment Activity Summary  
July 31, 2017**

	PURCHASED	SOLD OR MATURED	(NON-CASH) DISC/(PREM) AMORT	(NON-CASH) GAIN/(LOSS) ON SALE	INVESTMENTS TRANSFERS	INCREASE / (DECREASE)
<b>MANDATORY FUNDS</b>						
Debt Service Account	2,205,753	(1,053)	2,278	-	-	2,206,978
Debt Service Reserve	3,484,501	(3,497,317)	(613)	-	-	(13,429)
O & M Reserve	4,823	-	(1,532)	-	-	3,291
	<b>\$ 5,695,077</b>	<b>\$ (3,498,370)</b>	<b>\$ 133</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,196,840</b>
<b>ADDITIONAL PROJECT FUNDS</b>						
GHG Cash Account	-	165	-	-	-	165
Participant Deposit Acct.	-	-	-	-	-	-
<b>TOTAL</b>	<b>\$ 5,695,077</b>	<b>\$ (3,498,205)</b>	<b>\$ 133</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,197,005</b>

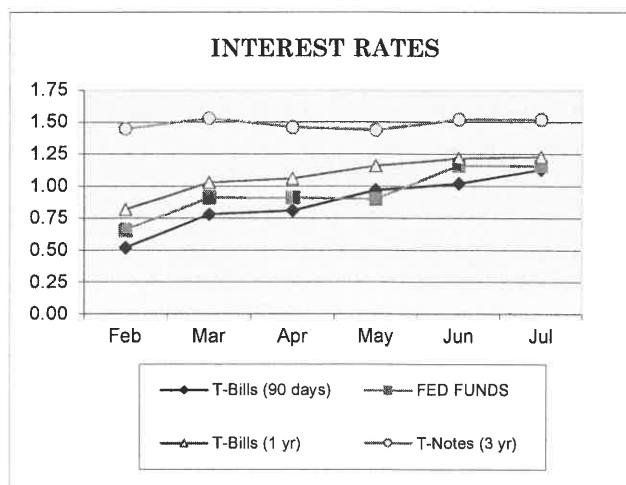
Less Non- Cash Activity	
Disc/(Prem) Amortization & Gain/(Loss) on Sale	(133)
Net Change in Investment --Before Non-Cash Activity	<u><u>\$ 2,196,872</u></u>

**NOTE A -Investment amounts shown at book carrying value.**

**Northern California Power Agency  
Lodi Energy Center  
Interest Rate/Yield Analysis  
July 31, 2017**

	<b>WEIGHTED AVERAGE INTEREST RATE</b>	<b>BOND EQUIVALENT YIELD</b>
<b>OVERALL COMBINED</b>	<b>1.613%</b>	<b>1.300%</b>
Debt Service Account	1.060%	1.079%
Debt Service Reserve	1.947%	1.377%
O & M Reserve	1.478%	1.307%
GHG Cash Account	0.924%	0.924%

<b>KEY INTEREST RATES</b>		
	<b>CURRENT</b>	<b>PRIOR YEAR</b>
Fed Fds (Ovrnight)	1.16%	0.40%
T-Bills (90da.)	1.13%	0.29%
Agency Disc (90da.)	1.05%	0.33%
T-Bills (1yr.)	1.23%	0.53%
Agency Disc (1yr.)	1.19%	0.62%
T-Notes (3yr.)	1.52%	0.83%



**Northern California Power Agency  
Total Portfolio  
Investment Maturities Analysis  
July 31, 2017**

Type	0-7 Days	8-90 Days	91-180 Days	181-270 Days	271-365 Days	1-5 Years	6-10 Years	Total	Percent
US Government Agencies	\$ -	\$ 4,170	\$4,442	\$ -	\$ -	\$ 17,228	\$ -	\$ 25,840	94.03%
US Bank Trust Money Market Commercial Paper	7							7	0.03%
Investment Trusts (LAIF)	1,633							1,633	5.94%
U.S.Treasury Market Acct.								-	0.00%
U.S.Treasury Bill								-	0.00%
Certificates of Deposit								-	0.00%
Total Dollars	\$ 1,640	\$4,170	\$4,442	\$0	\$0	\$17,228	\$0	\$ 27,480	100.00%
Total Percents	5.97%	15.17%	16.16%	0.00%	0.00%	62.69%	0.00%	100.00%	

Investments are shown at Face Value, in thousands.

# **NORTHERN CALIFORNIA POWER AGENCY**

## **Detail Report Of Investments**

### **APPENDIX**

**Note:**            **This appendix has been prepared to comply with  
Government Code section 53646.**

Northern California Power Agency  
Treasurer's Report

07/31/2017

LEC Issue#1 2010A DS Fund

Issuer	Trustee / Custodian	Stated Value	Interest Rate	Purchase Date	Purchased Price	Maturity Date	Days to Maturity	Bond* Equiv Yield	Market Value	CUSIP	Investment #	Carrying Value
US Bank Trust	USB	368	0.100	07/01/2013	368		1	0.100	368	SYS79003	79003	368
Federal Home Loan Ba	USBT	701,000	1.050	06/30/2017	697,851	12/01/2017	122	1.069	698,413	313385PY6	26436	698,506
Federal Home Loan Ba	USBT	696,000	1.070	07/28/2017	693,393	12/01/2017	122	1.088	693,432	313385PY6	26445	693,476
Fund Total and Average		\$ 1,397,368	1.060		\$ 1,391,612		122	1.079	\$ 1,392,213			\$ 1,392,350

LEC Issue #1 2010B DS Fund

US Bank Trust	USB	173	0.100	07/01/2013	173		1	0.100	173	SYS79004	79004	173
Federal Home Loan Ba	USBT	732,000	1.050	06/30/2017	728,712	12/01/2017	122	1.069	729,299	313385PY6	26437	729,395
Federal Home Loan Ba	USBT	729,000	1.070	07/28/2017	726,270	12/01/2017	122	1.088	726,310	313385PY6	26446	726,357
Fund Total and Average		\$ 1,461,173	1.060		\$ 1,455,155		122	1.079	\$ 1,455,782			\$ 1,455,925

LEC Issue #2 2010A DS Fund

US Bank Trust	USB	309	0.100	07/01/2013	309		1	0.100	309	SYS79011	79011	309
Federal Home Loan Ba	USBT	442,000	1.050	06/30/2017	440,015	12/01/2017	122	1.069	440,369	313385PY6	26438	440,427
Federal Home Loan Ba	USBT	439,000	1.070	07/28/2017	437,356	12/01/2017	122	1.088	437,380	313385PY6	26447	437,408
Fund Total and Average		\$ 881,309	1.060		\$ 877,680		122	1.079	\$ 878,058			\$ 878,144

LEC Issue #2 2010B DS Fund

US Bank Trust	USB	346	0.100	07/01/2013	346		1	0.100	346	SYS79012	79012	346
Federal Home Loan Ba	USBT	353,000	1.050	06/30/2017	351,414	12/01/2017	122	1.069	351,697	313385PY6	26439	351,744
Federal Home Loan Ba	USBT	350,000	1.070	07/28/2017	348,689	12/01/2017	122	1.088	348,709	313385PY6	26448	348,731
Fund Total and Average		\$ 703,346	1.059		\$ 700,449		122	1.079	\$ 700,752			\$ 700,821
GRAND TOTALS:		\$ 4,443,196	1.060		\$ 4,424,896		122	1.079	\$ 4,426,805.			\$ 4,427,240

\*Bond Equivalent Yield to Maturity is shown based on a 365 day year to provide a basis for comparison between all types. Investments with less than 6 months to maturity use an approximate method, all others use an exact method.

Current Market Value is based on prices from Trustee/ Custodian Statements or bid prices from the Wall Street Journal as of 07/31/2017





Northern California Power Agency  
Treasurer's Report

07/31/2017

LEC Issue #1 2010 DSR Fund

Issuer	Trustee / Custodian	Stated Value	Interest Rate	Purchase Date	Purchased Price	Maturity Date	Days to Maturity	Bond* Equiv Yield	Market Value	CUSIP	Investment #	Carrying Value
US Bank Trust	USB	2,396	0.100	07/01/2013	2,396		1	0.100	2,396	SYS79005	79005	2,396
Federal National Mtg	USB	4,170,000	0.875	05/30/2014	4,171,960	08/28/2017	27	0.977	4,169,333	3135GOMZ3	26136	4,170,045
Federal Farm Credit	USB	4,360,000	1.660	06/08/2016	4,360,000	05/25/2021	1,393	1.659	4,320,237	3133EGEBZ7	26337	4,360,000
Federal Home Loan Mt	USB	150,000	1.125	07/28/2017	146,648	08/12/2021	1,472	1.699	146,292	3137EAE9	26454	146,654
Fund Total and Average		\$ 8,682,396	1.273		\$ 8,681,004		738	1.333	\$ 8,638,258			\$ 8,679,095

LEC Iss#1 2010B BABS Subs Resv

US Bank Trust	USB	1,158	0.100	07/01/2013	1,158		1	0.100	1,158	SYS79006	79006	1,158
Federal Home Loan Ba	USB	2,145,000	3.375	07/28/2017	2,255,146	06/12/2020	1,046	1.540	2,253,730	313370E38	26455	2,254,826
Fund Total and Average		\$ 2,146,158	3.373		\$ 2,256,304		1045	1.539	\$ 2,254,888			\$ 2,255,984

LEC Issue #2 2010B DSR BABS

US Bank Trust	USB	2,581	0.100	07/01/2013	2,581		1	0.100	2,581	SYS79013	79013	2,581
Federal Home Loan Ba	USB	1,025,000	4.375	07/28/2017	1,082,708	07/01/2019	699	1.400	1,082,298	3133XU3G6	26456	1,082,458
Fund Total and Average		\$ 1,027,581	4.365		\$ 1,085,289		697	1.397	\$ 1,084,879			\$ 1,085,039
GRAND TOTALS:		\$ 11,856,135	1.947		\$ 12,022,597		792	1.377	\$ 11,978,025			\$ 12,020,118

\*Bond Equivalent Yield to Maturity is shown based on a 365 day year to provide a basis for comparison between all types. Investments with less than 6 months to maturity use an approximate method, all others use an exact method.

Current Market Value is based on prices from Trustee/ Custodian Statements or bid prices from the Wall Street Journal as of 07/31/2017  
Investment #26337 FFCB Callable anytime

07/31/2017

LEC O & M Reserve

Issuer	Trustee / Custodian	Stated Value	Interest Rate	Purchase Date	Purchased Price	Maturity Date	Days to Maturity	Bond* Equiv Yield	Market Value	CUSIP	Investment #	Carrying Value
Local Agency Investm		1,561,023	0.923	07/01/2013	1,561,023		1	0.923	1,561,023	SYS70047	70047	1,561,023
Union Bank of Califo	UBOC	145	0.002	07/18/2013	145		1	0.002	145	SYS70041	70041	145
Federal National Mtg	UBOC	2,933,000	1.875	08/28/2015	2,998,142	02/19/2019	567	1.220	2,954,587	3135G0ZA4	26248	2,962,056
Federal Home Loan Ba	USB	3,615,000	1.540	06/30/2017	3,613,952	06/05/2020	1,039	1.550	3,610,734	3130ABJQ0	26440	3,613,982
Federal National Mtg	UBOC	3,000,000	1.300	06/30/2016	3,000,000	06/30/2020	1,064	1.300	2,937,150	3136G3UJ2	26341	3,000,000
Fund Total and Average		\$ 11,109,168	1.478		\$ 11,173,262		775	1.307	\$ 11,063,639			\$ 11,137,206
GRAND TOTALS:		\$ 11,109,168	1.478		\$ 11,173,262		775	1.307	\$ 11,063,639.			\$ 11,137,206

\*Bond Equivalent Yield to Maturity is shown based on a 365 day year to provide a basis for comparison between all types. Investments with less than 6 months to maturity use an approximate method, all others use an exact method.

Current Market Value is based on prices from Trustee/ Custodian Statements or bid prices from the Wall Street Journal as of 07/31/2017



Northern California Power Agency  
Treasurer's Report

07/31/2017

LEC GHG Auction Acct

Issuer	Trustee / Custodian	Stated Value	Interest Rate	Purchase Date	Purchased Price	Maturity Date	Days to Maturity	Bond* Equiv Yield	Market Value	CUSIP	Investment #	Carrying Value
Local Agency Investm		71,843	0.923	07/01/2013	71,843		1	0.923	71,843	SYS70046	70046	71,843
Fund Total and Average		\$ 71,843	0.924		\$ 71,843		1	0.924	\$ 71,843			\$ 71,843
GRAND TOTALS:		\$ 71,843	0.924		\$ 71,843		1	0.924	\$ 71,843.			\$ 71,843

\*Bond Equivalent Yield to Maturity is shown based on a 365 day year to provide a basis for comparison between all types. Investments with less than 6 months to maturity use an approximate method, all others use an exact method.  
Current Market Value is based on prices from Trustee/ Custodian Statements or bid prices from the Wall Street Journal as of 07/31/2017



**Lodi Energy Center Project Participant Committee**

**LEC Financial Reports**

AGENDA ITEM NO.: 8

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**Date:** August 14, 2017

**To:** Lodi Energy Center Project Participant Committee

**Subject:** July 31, 2017 Financial Reports (Unaudited)

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

		July	
		2017	2016
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$	71,843	\$ 71,311
Interest receivable		56	33
Inventory and supplies - at average cost		2,110,855	1,848,960
Prepaid insurance		208,347	132,381
Due from (to) Agency, net		13,471,697	15,795,881
<b>TOTAL CURRENT ASSETS</b>		<b>15,862,798</b>	<b>17,848,566</b>
<b>RESTRICTED ASSETS</b>			
Cash and cash equivalents		1,610,696	6,853,058
Investments		26,016,065	20,546,484
Interest receivable		77,317	60,731
<b>TOTAL RESTRICTED ASSETS</b>		<b>27,704,078</b>	<b>27,460,273</b>
<b>ELECTRIC PLANT</b>			
Electric plant in service		423,640,289	423,459,198
Less: accumulated depreciation		(68,158,735)	(53,551,261)
		355,481,554	369,907,937
Construction work-in-progress		107,024	102,031
<b>TOTAL ELECTRIC PLANT</b>		<b>355,588,578</b>	<b>370,009,968</b>
<b>OTHER ASSETS</b>			
Regulatory assets		21,652,454	19,365,714
<b>TOTAL OTHER ASSETS</b>		<b>21,652,454</b>	<b>19,365,714</b>
<b>TOTAL ASSETS</b>	<b>\$</b>	<b>420,807,908</b>	<b>\$ 434,684,521</b>

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

	July	
	2017	2016
<b>LIABILITIES &amp; NET POSITION</b>		
<b>CURRENT LIABILITIES</b>		
Accounts and retentions payable	\$ 1,739,016	\$ 1,899,745
Operating reserves	12,572,413	11,520,329
Current portion of long-term debt	10,355,000	9,950,000
Accrued interest payable	2,673,314	2,739,494
<b>TOTAL CURRENT LIABILITIES</b>	<b>27,339,743</b>	<b>26,109,568</b>
<b>NON-CURRENT LIABILITIES</b>		
Operating reserves and other deposits	1,715,966	1,715,380
Long-term debt, net	340,901,118	351,748,682
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>342,617,084</b>	<b>353,464,062</b>
<b>TOTAL LIABILITIES</b>	<b>369,956,827</b>	<b>379,573,630</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Regulatory credits	42,321,402	43,239,092
<b>NET POSITION</b>		
Invested in capital assets, net of related debt	(16,336,488)	(14,344,588)
Restricted	11,281,252	12,024,624
Unrestricted	13,584,915	14,191,763
<b>TOTAL NET POSITION</b>	<b>8,529,679</b>	<b>11,871,799</b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 420,807,908</b>	<b>\$ 434,684,521</b>

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

		Month Ended July	
		2017	2016
<b>SALES FOR RESALE</b>			
Participants	\$	4,379,035	\$ 4,113,069
Other		3,055,495	5,617,959
<b>TOTAL SALES FOR RESALE</b>		<b>7,434,530</b>	<b>9,731,028</b>
<b>OPERATING EXPENSES</b>			
Operations		2,032,619	2,111,068
Depreciation		1,217,357	1,216,837
Purchased power		317,006	286,400
Maintenance		245,274	243,066
Administrative and general		355,230	347,692
Transmission		26,155	46,347
Intercompany (sales) purchases		-	14,916
<b>TOTAL OPERATING EXPENSES</b>		<b>4,193,641</b>	<b>4,266,326</b>
<b>NET OPERATING REVENUES</b>		<b>3,240,889</b>	<b>5,464,702</b>
<b>OTHER REVENUES (EXPENSES)</b>			
Interest expense		(1,300,151)	(1,326,157)
Interest income		159,377	(33,657)
Other		215,637	4,591,545
<b>TOTAL OTHER REVENUES (EXPENSES)</b>		<b>(925,137)</b>	<b>3,231,731</b>
<b>FUTURE RECOVERABLE AMOUNTS</b>		<b>-</b>	<b>207,885</b>
<b>REFUNDS TO PARTICIPANTS</b>		<b>(7)</b>	<b>(4)</b>
<b>INCREASE IN NET POSITION</b>		<b>2,315,745</b>	<b>8,904,314</b>
<b>NET POSITION</b>			
Beginning of year		6,213,934	2,967,485
End of period	\$	8,529,679	\$ 11,871,799

**Lodi Energy Center  
FY 2018 Operating Costs  
As of July 31, 2017**

	Annual Budget	Actual	Remaining	YTD % Remaining	Notes
<b>Routine O&amp;M Costs</b>					
Variable	\$ 1,263,067	\$ 29,334	\$ 1,233,733	98%	<b>A</b>
Fixed	3,336,592	170,690	3,165,902	95%	
Administration	230,934	14,307	216,627	94%	
Mandatory Costs	291,959	36,388	255,571	88%	
Routine O&M Costs without Labor	5,122,552	250,719	4,871,833	95%	
Labor	5,051,714	380,095	4,671,619	92%	<b>B</b>
Total Routine O&M Cost	10,174,266	630,814	9,543,452	94%	
<b>Other Costs</b>					
Fuel	14,877,170	1,492,526	13,384,644	90%	
CA ISO Charges	196,309	26,155	170,154	87%	
CA ISO Purchased Energy	3,724,590	317,006	3,407,584	91%	
Debt Service	26,416,640	2,201,387	24,215,253	92%	
Insurance	765,367	-	765,367	100%	
Other Costs	54,826	574	54,252	99%	
Generation Services Shared	359,388	29,500	329,888	92%	
Administrative & General (Allocated)	1,883,356	136,600	1,746,756	93%	
Power Management Allocated Costs	1,479,117	123,260	1,355,857	92%	
Total O&M Cost	59,931,029	4,957,822	54,973,207	92%	
<b>Projects</b>					
Operations & Maintenance	63,652	-	63,652	100%	
Capital	560,000	-	560,000	100%	
Maintenance Reserve	2,012,800	167,733	1,845,067	92%	
Total Projects	2,636,452	167,733	2,468,719	94%	
Annual Cost	62,567,481	5,125,555	57,441,926	92%	
<b>Less: Third Party Revenue</b>					
Interest Income	171,889	12,070	159,819	93%	
ISO Energy Sales	19,760,321	2,973,276	16,787,045	85%	
Ancillary Services Sales	396,879	82,219	314,660	79%	
	20,329,089	3,067,565	17,261,524	85%	
<b>Net Annual Cost to Participants</b>	\$ 42,238,392	\$ 2,057,990	\$ 40,180,402	95%	

Total Variable Costs	20,061,136	1,865,021	18,196,115
Total Fixed Costs	42,506,345	3,260,534	39,245,811
	<u>\$ 62,567,481</u>	<u>\$ 5,125,555</u>	<u>\$ 57,441,926</u>

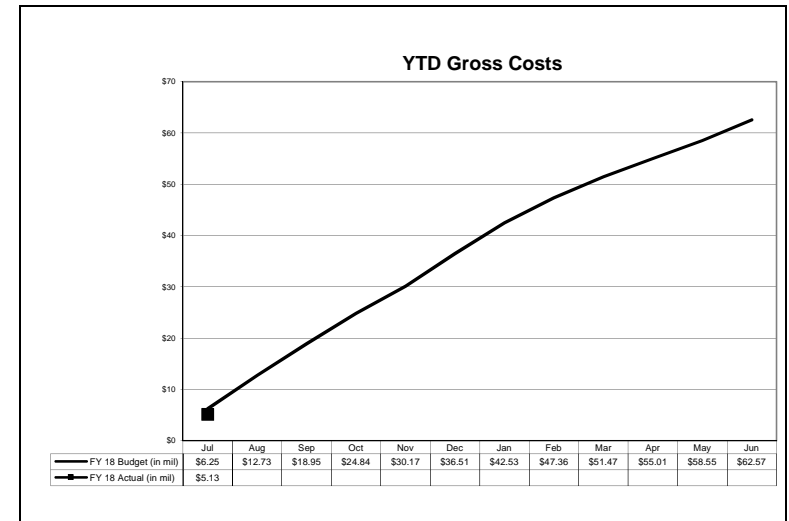
Net Cumulative Generation (MWh)	377,711	54,015
Total O&M Cost Per MWh	\$ 158.67	\$ 91.79
Net Annual Cost Per MWh	\$ 111.83	\$ 38.10

**Footnotes:**

**General** - During the month, there were 8 days when the plant was available but did not run for economic reasons.  
July A&G allocation and generation services allocation are estimated.

**A** - Payment for annual CEC fee and is projected to normalize for remainder of fiscal year.

**B** - Higher than budgeted CA ISO costs due to higher than anticipated GMC costs.

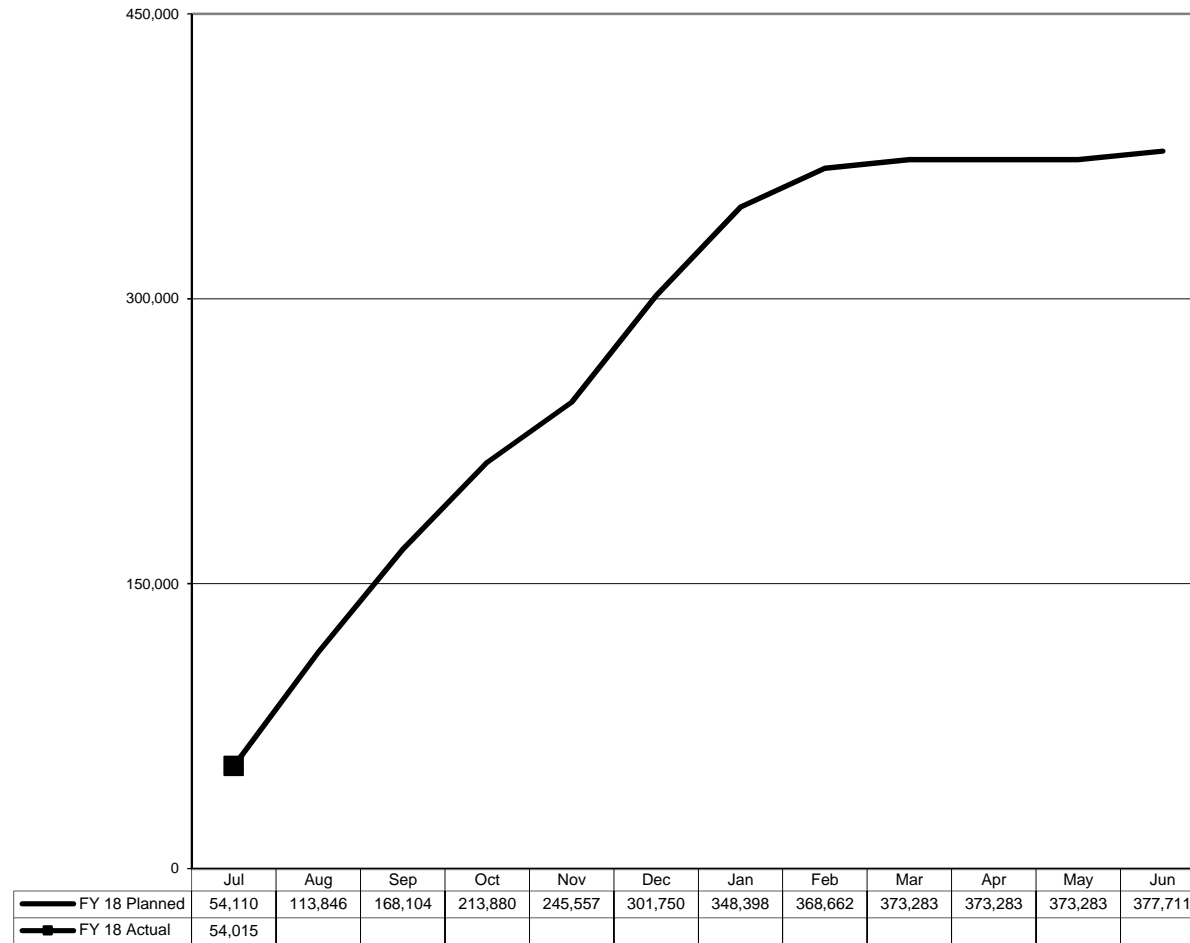




**Annual Budget  
LEC Generation Analysis  
Planned vs. Actual  
FY 2018**

In MWh

## Lodi Energy Center





**Lodi Energy Center Project Participant Committee**

**LEC GHG Reports**

AGENDA ITEM NO.: 9

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**Date:** August 8, 2017

**To:** Lodi Energy Center Project Participant Committee

**Subject:** GHG Reports (excerpted from monthly ARB)

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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
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
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
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	0.054
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
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
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	0	0	46,290	460,633
Secondary Market Allowances	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Reserve Sale Allowances	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Offsets	0	0	0	0	0	0	0	0	0	0	0	0	0	0
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	0	0	46,290	460,633
NCPA Compliance Instrument Purchases (for LEC)														
Auction Purchases	47,000	0	0	0	0	0	0	0	0	0	0	0	0	47,000
Secondary Market Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Reserve Sale Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Offset Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0	0
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	
Total Monthly Activity (MT)	139,695	5,350	0	13,644	105,000	50,632	30,628	1,600	102,200	12,594	0	0	46,290	507,633
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	461,343	461,343	507,633	507,633
MTA Shortfall (MT)	(139,695)	(113,018)	(73,999)	(39,363)	(92,959)	(131,194)	(130,542)	(85,174)	(151,004)	(128,507)	(91,142)	(51,315)	(45,427)	(45,427)

	2014 NCPA All Resources Bill LEC GHG Compliance Instrument Detail Report for the Lodi Energy Center												
	Actual												Compliance Year 2014
IDENTIFIER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	Total
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
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
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
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
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
Compliance Instrument Participant Transfers (to LEC)													
Auction Allowances	102,347	50,000	48,066	25,000	1,290	138,448	0	0	13,586	50,520	100,350	350	529,957
Secondary Market Allowances	0	0	0	0	0	0	0	0	0	0	0	0	0
Reserve Sale Allowances	0	0	0	0	0	0	0	0	0	0	0	0	0
Offsets	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Compliance Instrument Participant Transfers (MT)	102,347	50,000	48,066	25,000	1,290	138,448	0	0	13,586	50,520	100,350	350	529,957
NCPA Compliance Instrument Purchases (for LEC)													
Auction Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0
Secondary Market Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0
Reserve Sale Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0
Offset Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0
Total NCPA Compliance Instrument Purchases (MT)	0	0	0	0	0	0	0	0	0	0	0	0	0
Compliance Instruments Surrendered to CARB (MT)	0	0	0	0	0	0	0	0	0	0	138,916	0	138,916
Total Monthly Activity (MT)	102,347	50,000	48,066	25,000	1,290	138,448	0	0	13,586	50,520	100,350	350	529,957
Cumulative MT Account Balance [MTA] (MT)	609,980	659,980	708,046	733,046	734,336	872,784	872,784	872,784	886,370	936,890	898,324	898,674	898,674
MTA Shortfall (MT)	(96,416)	(87,447)	(89,167)	(93,052)	(66,708)	(185,098)	(139,942)	(113,158)	(59,204)	(35,709)	(115,939)	(75,119)	(75,119)

2015 NCPA All Resources Bill LEC GHG Compliance Instrument Detail Report for the Lodi Energy Center													
IDENTIFIER	Actual												Compliance Year 2015
	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	Total
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
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
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	
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
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	646,426	697,171	697,171
Compliance Instrument Participant Transfers (to LEC)													
Auction Allowances	41,342	250	250,100	15,000	86,000	107,327	104,000	0	0	58,201	375	200	662,795
Secondary Market Allowances	0	0	0	0	0	0	0	0	0	0	0	0	0
Reserve Sale Allowances	0	0	0	0	0	0	0	0	0	0	0	0	0
Offsets	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Compliance Instrument Participant Transfers (MT)	41,342	250	250,100	15,000	86,000	107,327	104,000	0	0	58,201	375	200	662,795
NCPA Compliance Instrument Purchases (for LEC)													
Auction Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0
Secondary Market Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0
Reserve Sale Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0
Offset Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0
Total NCPA Compliance Instrument Purchases (MT)	0	0	0	0	0	0	0	0	0	0	0	0	0
Compliance Instruments Surrendered to CARB (MT)	0	0	0	0	0	0	0	0	0	0	771,709	0	771,709
Total Monthly Activity (MT)	41,342	250	250,100	15,000	86,000	107,327	104,000	0	0	58,201	375	200	662,795
Cumulative MT Account Balance [MTA] (MT)	940,016	940,266	1,190,366	1,205,366	1,291,366	1,398,693	1,502,693	1,502,693	1,502,693	1,560,894	789,560	789,760	789,760
MTA Shortfall (MT)	(42,612)	15,061	(164,923)	(111,415)	(162,552)	(215,405)	(279,441)	(227,025)	(176,960)	(171,961)	(143,134)	(92,589)	(92,589)

	2016 NCPA All Resources Bill LEC GHG Compliance Instrument Detail Report for the Lodi Energy Center												
	Actual												Compliance Year 2016
IDENTIFIER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	Total
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
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
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	
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
Cumulative MT Obligation (MT)	734,684	745,162	781,753	800,074	801,572	827,787	857,334	870,004	880,402	888,973	897,545	909,099	909,099
Compliance Instrument Participant Transfers (to LEC)													
Auction Allowances	211,481	0	2,500	31,000	0	41,000	0	56,600	0	0	0	0	342,581
Secondary Market Allowances	0	0	0	0	0	0	0	0	0	0	0	0	0
Reserve Sale Allowances	0	0	0	0	0	0	0	0	0	0	0	0	0
Offsets	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Compliance Instrument Participant Transfers (MT)	211,481	0	2,500	31,000	0	41,000	0	56,600	0	0	0	0	342,581
NCPA Compliance Instrument Purchases (for LEC)													
Auction Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0
Secondary Market Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0
Reserve Sale Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0
Offset Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0
Total NCPA Compliance Instrument Purchases (MT)	0	0	0	0	0	0	0	0	0	0	0	0	0
Compliance Instruments Surrendered to CARB (MT)	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Monthly Activity (MT)	211,481	0	2,500	31,000	0	41,000	0	56,600	0	0	0	0	342,581
Cumulative MT Account Balance [MTA] (MT)	1,001,241	1,001,241	998,741	967,741	967,741	926,741	926,741	983,341	983,341	983,341	983,341	983,341	983,341
MTA Shortfall (MT)	(266,557)	(256,079)	(216,988)	(167,667)	(166,169)	(98,954)	(69,407)	(113,337)	(102,939)	(94,368)	(85,796)	(74,242)	(74,242)

2017 NCPA All Resources Bill LEC GHG Compliance Instrument Detail Report for the Lodi Energy Center														
IDENTIFIER	Actual						Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Compliance Year 2017	Cumulative Totals
	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	Total	Total
Energy (MWh)	38,917	15,337	7,086	0	3,436	35,997	26,646	57,141	46,388	50,776	42,773	55,094	379,591	741,646
Gas Schedule (MMBtu)	301,781	115,019	59,077	0	29,558	266,056	191,853	411,415	333,992	365,589	307,962	396,680	2,778,982	5,360,492
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		
HVAC/Water Heater (MT)														
Monthly MT Emissions (MT)	16,286	6,207	3,188	0	1,595	14,358	10,353	22,202	18,024	19,729	16,619	21,407	149,968	1,969,692
Cumulative MT Obligation (MT)	925,385	931,592	934,780	934,780	936,375	950,733	961,086	983,288	1,001,312	1,021,041	1,037,660	1,059,067	1,059,067	3,951,098
Compliance Instrument Participant Transfers (to LEC)														
Auction Allowances	0	0	5,000	0	0	0	0	0	0	0	0	0	5,000	2,000,966
Secondary Market Allowances	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Reserve Sale Allowances	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Offsets	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Compliance Instrument Participant Transfers (MT)	0	0	5,000	0	0	0	0	0	0	0	0	0	5,000	2,000,966
NCPA Compliance Instrument Purchases (for LEC)														0
Auction Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0	47,000
Secondary Market Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Reserve Sale Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Offset Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0	0
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	910,625
Total Monthly Activity (MT)	0	0	5,000	0	0	0	0	0	0	0	0	0	5,000	76,787
Cumulative MT Account Balance [MTA] (MT)	983,341	983,341	978,341	978,341	978,341	978,341	978,341	978,341	978,341	978,341	978,341	978,341	978,341	978,341
MTA Shortfall (MT)	(57,956)	(51,749)	(43,561)	(43,561)	(41,966)	(27,608)	(17,255)	4,947	22,971	42,700	59,319	80,726	80,726	

Forecast has been updated through December 2017

NCPA All Resources Bill LEC GHG Obligation Detail Report (Cumulative) August 2017																
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)	26,442	117,002	2,543	322,906	18,645	15,594	89,184	19,274	101,701	7,457	25,324	244,421	19,431	1,009,924		derived
Current MT Compliance Instrument Account (MTA) Balance (MT)	29,969	125,109	3,643	333,572	25,194	20,383	116,691	32,078	114,878	7,782	28,609	274,215	23,490	1,135,613		derived
MTA Shortfall (MT)	(3,527)	(8,106)	(1,100)	(10,667)	(6,549)	(4,789)	(27,507)	(12,804)	(13,177)	(325)	(3,285)	(29,794)	(4,059)	(125,689)	MTA SHORTFALL	Derived
Monthly GHG Price \$/MT	15.33	15.33	15.33	15.33	15.33	15.33	15.33	15.33	15.33	15.33	15.33	15.33	15.33	15.33	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.





## **Lodi Energy Center Project Participant Committee**

### **Staff Report**

AGENDA ITEM NO.: 10

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**Date:** July 17, 2017

**Meeting Date:** August 14, 2017

**To:** Lodi Energy Center Project Participant Committee

**Subject:** Mechanical Analysis/Repair, Inc. dba Martech – First Amendment to Five Year Multi-Task General Services Agreement; Applicable to the following projects:  
All NCPA Generation Plant Facilities, Members, Southern California Public Power Authority (“SCPPA”) or SCPPA members

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#### Proposal

Approve the First Amendment to Multi-Task General Services Agreement with Mechanical Analysis/Repair, Inc. dba Martech for machining services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$550,000 over five years as needed at any facilities owned and/or operated by Agency, its Members, Southern California Public Power Authority (“SCPPA”) or SCPPA Members.

#### Background

Various machining services are required at the NCPA, member, SCPPA and SCPPA member locations from time to time. Mechanical Analysis/Repair, Inc. dba Martech is a provider of these services. NCPA entered into a Five Year Multi-Task General Services Agreement with Mechanical Analysis/Repair, Inc. dba Martech effective June 9, 2014 for an amount not to exceed \$200,000. The Agency has utilized this vendor more often than originally estimated and the agreement has run low on funds. This amendment will increase the not to exceed amount from \$200,000 to \$550,000 and add additional facility locations. This agreement will be for use at any facility owned and/or operated by the Agency, its Members, SCPPA or SCPPA Members.

#### Selection Process

This five year contract does not commit NCPA to any expenditure of funds. When services are required, NCPA will bid the specific scope of work consistent with NCPA procurement policies and procedures. This is the first enabling agreement for these types of services. NCPA will seek bids from as many qualified suppliers 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 materials/supplies needed at the time the material is required.

#### Fiscal Impact

The total cost of the agreement will be not-to-exceed \$550,000 over the five year term. Allocation of funds will be based on the Commission approved annual budgets. 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.

Prepared by:

KEN SPEER  
Assistant General Manager  
Generation Services

Attachments: (2)

- First Amendment to Multi-Task General Services Agreement with Mechanical Analysis/Repair, Inc. dba Martech
- Multi-Task General Services Agreement with Mechanical Analysis/Repair, Inc. dba Martech



**FIRST AMENDMENT TO MULTI-TASK GENERAL SERVICES AGREEMENT BETWEEN  
THE NORTHERN CALIFORNIA POWER AGENCY AND MECHANICAL ANALYSIS/REPAIR, INC. DBA  
MARTECH**

This First Amendment ("Amendment") to Multi-Task General Services Agreement is entered into by and between the Northern California Power Agency ("Agency") and Mechanical Analysis/Repair, Inc, dba Martech ("Contractor") (collectively referred to as "the Parties") as of \_\_\_\_\_, 2017.

WHEREAS, the Parties entered into a five year Multi-Task General Services Agreement dated effective June 9, 2014, (the "Agreement") for Contractor to provide machining services ("Work"), as more specifically detailed in the Agreement to NCPA; and

WHEREAS, the Agency now desires to amend the Agreement to increase the total compensation authorized by the Agreement from a "NOT TO EXCEED" amount of \$200,000.00 to a 'NOT TO EXCEED amount of \$550,000.00; and

WHEREAS, the Agency now desires to amend the Agreement to allow Contractor to provide Work to Agency members, Southern California Public Power Authority ("SCPPA"), and/or SCPPA members on the terms and conditions set forth in the Agreement, as amended herein; and

WHEREAS, the Agency now desires to amend the Agreement to add miscellaneous provisions as set forth below; and

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

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

NOW, THEREFORE, the Parties agree as follows:

**A. Section 1.4-Work Provided** is replaced in its entirety by the following Section 1.4.

**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.

**B. Section 1.5-Request for Work to be Performed** is added to the Agreement as follows:

**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.

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

Agency hereby agrees to pay Contractor an amount **NOT TO EXCEED FIVE HUNDRED FIFTY THOUSAND** dollars (\$550,000.00) 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.

D. **Section 4.5.4-Additional Certificates and Endorsements** is added to the Agreement as follows:

**4.5.4 Additional Certificates and Endorsements.** If Contractor performs Work for Agency members, SCPPA and/or SCPPA members pursuant to this Agreement, Agency shall the right to require Contractor to provide the certificates of insurance and/or 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.

E. **Section 6.1-Independent Contractor** is amended to add the following to that section:

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.

F. **Section 6.5-Maintenance Labor Agreement** is added to the Agreement as follows:

**6.5 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.

G. Section 7-LEGAL REQUIREMENTS of the Agreement is amended and restated to read as follows:

**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.

H. Section 10-PROJECT SITE of the Agreement is amended and restated to read as follows:

**Section 10. PROJECT SITE.**

- 10.1 **Project Site Locations.** The Project site at which Contractor may perform Work under this Agreement shall include any facilities owned and/or operated by the Agency, by the Agency's members, by SCPPA, or by SCPPA members.
- 10.2 **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 Agency's operations; if applicable, the entity for which Contractor is performing the Work as referenced in Section 1.4, and the operations of 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.
- 10.3 **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. Agency and, if applicable, the entity for which Contractor is performing the work as referenced in Section 1.4, may assume that anything left on the Project site an unreasonable length of time after the Work is completed has been abandoned. Any transportation furnished by Agency and, if applicable, by the entity for which Contractor is performing the work as referenced in Section 1.4, shall be solely as an accommodation without any liability therefor to Contractor or other party.

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.

- 10.4 **Use of Agency Equipment.** Contractor shall assume the risk and is solely responsible for its use of any equipment and property owned and/or provided by Agency, its members, SCPPA, or SCPPA members for the performance of Work.

- I. **Section 12.10** is added to the Agreement to read as follows:

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. In addition, Contractor's actions under the initial paragraph of Section 12 shall comply with all site programs established by Member if Contractor is performing Work for that Member.

- J. **Section 13.8-Notices** is amended to specify, as to NCPA only, the following:

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:

General Counsel  
Northern California Power Agency  
651 Commerce Drive  
Roseville, CA 95678

- K. **Section 13.12-Controlling Provisions** is replaced in its entirety by the following:

13.12 **Controlling Provisions.** In the case of any conflict between the terms of this Amendment and the Agreement, the Amendment shall control. 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.

- L. **Section 13.15-No Third Party Beneficiaries** is replaced in its entirety by the following:

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.

M. **Exhibit A – SCOPE OF SERVICES** is amended and restated to read in full as set forth in the attached Exhibit A.

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

NORTHERN CALIFORNIA POWER AGENCY

MECHANICAL ANALYSIS/REPAIR, INC.  
DBA MARTECH

Date: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
RANDY S. HOWARD, General Manager

\_\_\_\_\_  
RICHARD LEDDY, President

Attest:

\_\_\_\_\_  
Assistant Secretary of the Commission

Approved as to Form:

\_\_\_\_\_  
Ruthann G. Ziegler, Assistant General Counsel

2698437.3



**EXHIBIT A**  
**SCOPE OF WORK**

Mechanical Analysis/Repair, Inc. dba Martech ("Contractor") shall provide machining services 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:

- Machining
- Balancing
- Hydroelectric Services
- AC/DC Motor Rewind and Rebuild
- Rebuild or Re-Manufacturing of Equipment
- Maintenance

Contractor may provide services at all Project Site Locations.

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

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 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)

\_\_\_\_\_



**MULTI-TASK  
GENERAL SERVICES AGREEMENT BETWEEN  
THE NORTHERN CALIFORNIA POWER AGENCY AND  
MECHANICAL ANALYSIS/REPAIR, INC. dba MARTECH**

This agreement for general services ("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 Mechanical Analysis/Repair, Inc. dba Martech, a CA corporation with its office located at 142 N. Cluff Avenue, Lodi, CA 95240 ("Contractor") (together sometimes referred to as the "Parties") as of 6/9/, 2014 ("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 **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.

**Section 2. COMPENSATION.** Agency hereby agrees to pay Contractor an amount **NOT TO EXCEED** TWO HUNDRED THOUSAND dollars (\$200,000.00) for the Work, which shall include all fees, costs, expenses and other reimbursables, as set forth in Contractor's fee schedule, attached hereto and incorporated herein as Exhibit B. This dollar amount is not a guarantee that Agency will pay that full amount to the Contractor, but is merely a limit of potential Agency expenditures under this Agreement.

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

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

**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.** Intentionally left blank.

**4.4 All Policies Requirements.**

**4.4.1 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, adding the

Agency as an additional insured and declaring such insurance primary in regard to work performed pursuant to this Agreement.

**4.4.2 Notice of Reduction in or Cancellation of Coverage.** 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.

**4.4.3 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 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. 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.

- 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.

**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 **Work Requiring Payment of Prevailing Wages.** If applicable, 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 these services are to be performed, and not less than the general prevailing rate of per diem wages for holiday and overtime work fixed as provided in the California Labor Code shall be paid to all workers engaged in performing the services under this Agreement.

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

## **9.4 Confidential Information and Disclosure.**

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

**9.4.2 Non-Disclosure of Confidential Information.** During the term of this Agreement, either party may disclose ("The Disclosing Party") confidential Information to the other party ("the Receiving Party"). The Receiving Party: (a) shall hold the Disclosing Party's Confidential Information in 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, 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.** Conclusion of Agreement. Receiving Party shall return to Disclosing Party or destroy Confidential Information (including all copies thereof) upon termination of this Agreement, 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, Contractors, 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 Agency's operations and the operations of 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. Agency will not 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. Agency may assume that anything left on the Project site an unreasonable length of time after the Work is completed has been abandoned. Any transportation furnished by Agency shall be solely as an accommodation and Agency shall have no 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 Agency owned equipment and property provided by Agency 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 Agency site programs.

**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 to include diesel fuel used for trucks owned or leased by the Contractor.

**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:

Martech  
Attention: Rick Leddy  
142 N. Cluff Avenue  
Lodi, CA 95240

Any written notice to Agency shall be sent to:

James H. Pope  
General Manager  
Northern California Power Agency  
651 Commerce Drive  
Roseville, CA 95678

With a copy to:

Michael F. Dean  
General Counsel  
Northern California Power Agency  
Meyers Nave  
555 Capitol Mall, Suite 1200  
Sacramento, CA 95814

- 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 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, and Contractor's Proposal (if any), the Agreement shall control. In the case of any conflict between the Exhibits hereto and the Contractor's Proposal, the Exhibits 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.

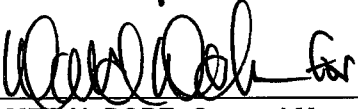
The Parties have executed this Agreement as of the date signed by the Agency.

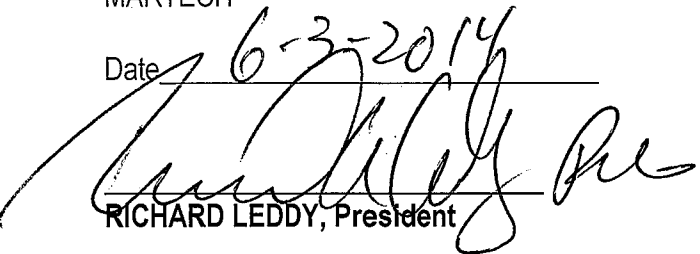
NORTHERN CALIFORNIA POWER AGENCY

MECHANICAL ANALYSIS/REPAIR, INC. dba  
MARTECH

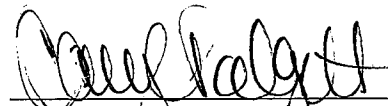
Date 6/9/14

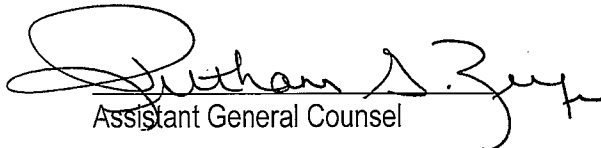
Date 6-3-2014

  
JAMES H. POPE, General Manager

  
RICHARD LEDDY, President

Attest:

  
Assistant Secretary of the Commission  
Approved as to Form:

  
Assistant General Counsel



## **EXHIBIT A**

### **SCOPE OF WORK**

Martech ("Contractor") shall provide machining services as requested by the Northern California Power Agency ("Agency").

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

- Machining
- Balancing
- Hydroelectric Services
- AC/DC Motor Rewind and Rebuild
- Rebuild or re-manufacturing of equipment
- Maintenance

## EXHIBIT B

### COMPENSATION SCHEDULE AND HOURLY FEES

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

#### Prevailing Wage Rate Sheet by County – 2014

##### ***San Joaquin County***

###### Electrician/Wireman

- Straight Time \$ 108.00
- Overtime \$ 130.50
- Double Time \$ 153.00

###### Millwright

- Straight Time \$ 118.00
- Overtime \$ 141.50
- Double Time \$ 165.00

###### Laborer

- Straight Time \$ 94.00
- Overtime \$ 110.50
- Double Time \$ 128.00

##### ***Calaveras County***

###### Electrician/Wireman

- Straight Time \$ 105.00
- Overtime \$ 130.50
- Double Time \$ 156.00

###### Millwright

- Straight Time \$ 116.00
- Overtime \$ 139.00
- Double Time \$ 161.50

###### Laborer

- Straight Time \$ 93.00
- Overtime \$ 110.50
- Double Time \$ 128.00

**Alameda County**

## Electrician/Wireman

- Straight Time \$ 135.00
- Overtime \$ 167.50
- Double Time \$ 200.00

## Millwright

- Straight Time \$ 123.00
- Overtime \$ 139.00
- Double Time \$ 162.00

## Laborer

- Straight Time \$ 94.50
- Overtime \$ 112.50
- Double Time \$ 130.50

**Lake County**

## Electrician/Wireman

- Straight Time \$ 112.00
- Overtime \$ 142.50
- Double Time \$ 173.00

## Millwright

- Straight Time \$ 116.00
- Overtime \$ 139.00
- Double Time \$ 161.50

## Laborer

- Straight Time \$ 93.00
- Overtime \$ 110.50
- Double Time \$ 128.00

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, Richard A. Leedy, President

(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

Mechanical Analysis/Repair, Inc

(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]

(Signature of officer or agent)

Dated this 3 day of June, 20 14.

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.



## **Lodi Energy Center Project Participant Committee**

### **Staff Report**

AGENDA ITEM NO.: 11

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**Date:** June 26, 2017

**Meeting Date:** August 14, 2017

**To:** Lodi Energy Center Project Participant Committee

**Subject:** The Avogadro Group, LLC – First Amendment to Five Year Multi-Task General Services Agreement; Applicable to the following projects: All NCPA Generation Plant Facilities, Members, Southern California Public Power Authority (“SCPPA”) or SCPPA members

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#### Proposal

Approve the First Amendment to Multi-Task General Services Agreement with The Avogadro Group, LLC, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$250,000 over five years for use at any facilities owned and/or operated by Agency, its Members, Southern California Public Power Authority (“SCPPA”) or SCPPA Members.

#### Background

Various testing services are required at the NCPA locations as well as Member, SCPPA and SCPPA Member facilities from time to time. The Avogadro Group, LLC. is a provider of these services. NCPA and The Avogadro Group, LLC. entered into a Multi-Task General Services Agreement dated effective October 25, 2013.

Effective June 30, 2017, The Avogadro Group, LLC was merged into Montrose Air Quality Services, LLC. The parties now desire to amend the Agreement and accept the assignment.

In addition, the original agreement was for services at NCPA locations only. This amendment will open up the agreement for use at NCPA Members, SCPPA and SCPPA Members as well.

#### 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 seeks bids from as many qualified providers as possible. 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

Total cost of the agreement is not-to-exceed \$250,000 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.

Prepared by:

KEN SPEER  
Assistant General Manager  
Generation Services

Attachments: (2)

- Multi-Task General Services Agreement with The Avogadro Group, LLC
- First Amendment to Multi-Task General Services Agreement with The Avogadro Group, LLC



**FIRST AMENDMENT TO MULTI-TASK GENERAL SERVICES AGREEMENT BETWEEN  
THE NORTHERN CALIFORNIA POWER AGENCY AND THE AVOGADRO GROUP, LLC ACCEPTING  
ASSIGNMENT TO MONTROSE AIR QUALITY SERVICES, LLC**

This First Amendment ("Amendment") to Multi-Task General Services Agreement ("Agreement") is entered into by and between the Northern California Power Agency ("Agency") and The Avogadro Group, LLC (collectively referred to as "the Parties") as of \_\_\_\_\_, 2017.

WHEREAS, the Parties entered into a five year Multi-Task General Services Agreement dated effective October 25, 2013, (the "Agreement") for The Avogadro Group, LLC to provide testing services ("Work"), as more specifically detailed in the Agreement to Agency; and

WHEREAS, effective June 30, 2017, The Avogadro Group, LLC was merged into Montrose Air Quality Services, LLC ("Montrose"); and

WHEREAS, The Avogadro Group, LLC and the Agency desire to agree to the assignment of the Agreement to Montrose , and Montrose desires to agree to the assignment; and

WHEREAS, the Agency now desires to amend the Agreement to allow Montrose to provide Work to Agency members, Southern California Public Power Authority ("SCPPA"), and/or SCPPA members on the terms and conditions set forth in the Agreement, as amended herein; and

WHEREAS, the Agency now desires to amend the Agreement to add miscellaneous provisions as set forth below; and

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

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

WHEREAS, consistent with the intent of this Amendment, the term "Contractor" in the Agreement and in the Amendment shall hereafter refer to Montrose;

NOW, THEREFORE, the Parties agree as follows:

**A. Section 1.4-Work Provided** is replaced in its entirety by the following Section 1.4.

**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.

B. **Section 1.5-Request for Work to be Performed** is added to the Agreement as follows:

- 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 fourteen (14) 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 fourteen-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.

C. **Section 4.4.4-Additional Certificates and Endorsements** is added to the Agreement as follows:

- 4.4.4 **Additional Certificates and Endorsements.** If Contractor performs Work for Agency members, SCPPA and/or SCPPA members pursuant to this Agreement, Agency shall have the right to require Contractor to provide the certificates of insurance and/or policy endorsements, as referenced in Section 4.4.1, naming the specific Agency member, SCPPA and/or SCPPA member for which the Work is to be performed.

D. **Section 6.1-Independent Contractor** is amended to add the following to that section:

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.

E. **Section 7-LEGAL REQUIREMENTS** of the Agreement is amended and restated to read as follows:

**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 **[Intentionally deleted.]**

F. Section 10-PROJECT SITE of the Agreement is amended and restated to read as follows:

**Section 10. PROJECT SITE.**

10.1 **Project Site Locations.** The Project site at which Contractor may perform Work under this Agreement shall include any facilities owned and/or operated by the Agency, by the Agency's members, by SCPPA, or by SCPPA members.

10.2 **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 Agency's operations; if applicable, the entity for which Contractor is performing the Work as referenced in Section 1.4, and the operations of 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.

10.3 **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. Agency and, if applicable, the entity for which Contractor is performing the work as referenced in Section 1.4, may assume that anything left on the Project site an unreasonable length of time after the Work is completed has been abandoned. Any transportation furnished by Agency and, if applicable, by the entity for which Contractor is performing the work as referenced in Section 1.4, shall be solely as an accommodation without any liability therefor to Contractor or other party. 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.

**10.4 Use of Agency Equipment.** Contractor shall assume the risk and is solely responsible for its use of any equipment and property owned and/or provided by Agency, its members, SCPPA, or SCPPA members for the performance of Work.

G. **Section 12.10** is added to the Agreement to read as follows:

**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. In addition, Contractor's actions under the initial paragraph of Section 12 shall comply with all site programs established by Member if Contractor is performing Work for that Member.

H. **Section 13.8-Notices** is amended to read the following:

Any written notice to Contractor shall be sent to:

Montrose Air Quality Services, LLC  
2825 Verne Roberts Circle  
Antioch, CA 94509  
Attn: Shane Mascitelli

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:

General Counsel  
Northern California Power Agency  
651 Commerce Drive  
Roseville, CA 95678

I. **Section 13.12-Controlling Provisions** is replaced in its entirety by the following:

**13.12 Controlling Provisions.** In the case of any conflict between the terms of this Amendment and the Agreement, the Amendment shall control. 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.

J. **Section 13.15-No Third Party Beneficiaries** is replaced in its entirety by the following:

**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.

K. **Exhibit A – SCOPE OF SERVICES** is amended and restated to read in full as set forth in the attached Exhibit A.

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

NORTHERN CALIFORNIA POWER AGENCY

MONTROSE AIR QUALITY SERVICES, LLC

Date: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
RANDY S. HOWARD, General Manager

\_\_\_\_\_  
SHANE MASCITELLI, Interim Regional Vice President

Attest:

THE AVOGADRO GROUP, LLC  
Consents to the foregoing:

\_\_\_\_\_  
Assistant Secretary of the Commission

By:

Approved as to Form:

\_\_\_\_\_  
KEVIN CROSBY, Vice President, Technical

\_\_\_\_\_  
Ruthann G. Ziegler, Assistant General Counsel

Date: \_\_\_\_\_

2839657.2

**EXHIBIT A**  
**SCOPE OF WORK**

Montrose Air Quality Services, LLC ("Contractor") shall provide testing services 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:

- Source Testing
- Rata Testing
- Emissions Testing

Contractor may provide services at all Project Site Locations.

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



**MULTI-TASK  
GENERAL SERVICES AGREEMENT BETWEEN  
THE NORTHERN CALIFORNIA POWER AGENCY AND  
THE AVOGADRO GROUP, LLC**

This agreement for general services ("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 The Avogadro Group, LLC, a limited liability company, with its office located at 2825 Verne Roberts Circle, Antioch, CA 94509 ("Contractor") (together sometimes referred to as the "Parties") as of 10/25/, 2013 ("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 **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.

**Section 2. COMPENSATION.** Agency hereby agrees to pay Contractor an amount **NOT TO EXCEED TWO HUNDRED FIFTY THOUSAND DOLLARS (\$250,000)** 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;
- 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

**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.** Intentionally left blank.

**4.4 All Policies Requirements.**

**4.4.1 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, adding the

Agency as an additional insured and declaring such insurance primary in regard to work performed pursuant to this Agreement.

**4.4.2 Notice of Reduction in or Cancellation of Coverage.** 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.

**4.4.3 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 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. 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 ensues 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.

- 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.

## **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 **Work Requiring Payment of Prevailing Wages.** If applicable, 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 these services are to be performed, and not less than the general prevailing rate of per diem wages for holiday and overtime work fixed as provided in the California Labor Code shall be paid to all workers engaged in performing the services under this Agreement.

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

## **9.4 Confidential Information and Disclosure.**

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

**9.4.2 Non-Disclosure of Confidential Information.** During the term of this Agreement, either party may disclose ("The Disclosing Party") confidential Information to the other party ("the Receiving Party"). The Receiving Party: (a) shall hold the Disclosing Party's Confidential Information in 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, 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.** Conclusion of Agreement. Receiving Party shall return to Disclosing Party or destroy Confidential Information (including all copies thereof) upon termination of this Agreement, 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, Contractors, 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 Agency's operations and the operations of 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. Agency will not 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. Agency may assume that anything left on the Project site an unreasonable length of time after the Work is completed has been abandoned. Any transportation furnished by Agency shall be solely as an accommodation and Agency shall have no 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 Agency owned equipment and property provided by Agency 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 Agency site programs.

**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 to include diesel fuel used for trucks owned or leased by the Contractor.

### **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:

The Avogadro Group, LLC  
2825 Verne Roberts Circle  
Antioch, CA 94509

Any written notice to Agency shall be sent to:

James H. Pope  
General Manager  
Northern California Power Agency  
651 Commerce Drive  
Roseville, CA 95678

With a copy to:

Michael F. Dean  
General Counsel  
Northern California Power Agency  
Meyers Nave  
555 Capitol Mall, Suite 1200  
Sacramento, CA 95814



- 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 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, and Contractor's Proposal (if any), the Agreement shall control. In the case of any conflict between the Exhibits hereto and the Contractor's Proposal, the Exhibits 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.

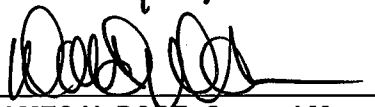
The Parties have executed this Agreement as of the date signed by the Agency.

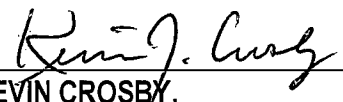
NORTHERN CALIFORNIA POWER AGENCY

THE AVOGADRO GROUP, LLC

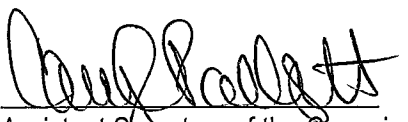
Date 10/25/13

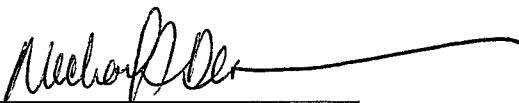
Date 9/27/13

  
JAMES H. POPE, General Manager

  
KEVIN CROSBY,  
Vice President, Technical

Attest:

  
Assistant Secretary of the Commission  
Approved as to Form:

  
General Counsel

## **EXHIBIT A**

### **SCOPE OF WORK**

The Avogadro Group, LLC. ("Contractor") shall provide testing services as requested by the Northern California Power Agency ("Agency"). Services to include, but not be limited to the following:

- Source Testing
- Rata Testing
- Emissions Testing

## EXHIBIT B

### COMPENSATION SCHEDULE AND HOURLY FEES

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

<u>Field Testing Personnel</u>	<u>Hourly Rate (\$)</u>
Consultant.....	225
Senior Project Manager.....	185
Project Manager.....	145
Test Team Leader.....	125
Senior Technician.....	125
Field Technician.....	85

<u>Support Personnel</u>	<u>Hourly Rate (\$)</u>
Senior Office Worker.....	125
Office Worker.....	85

<u>Overtime Rate for Hourly Employees</u>	<u>Hourly Rate (\$)</u>
Over 8 hours per day or between 40 and 60 hours per week.....	Standard Rate x 1.5
Over 12 hours per day or over 60 hours per week.....	Standard Rate x 2.0
<i>Note: Avogadro also accounts for overtime meeting the "consecutive day" rules.</i>	

<u>Overhead Direct Costs</u>	<u>Unit Rate (\$)</u>
Per Diem.....	145/day
Mobile Lab Vehicle Mileage.....	1.50/mile
Other Overhead Direct Costs, including analytical costs.....	Cost Plus 15%

<u>Testing Equipment Fees</u>	<u>Daily Rate (\$)</u>
Mobile Laboratory, no CEMS – (mileage not included).....	350
Chase vehicle - (mileage charged separately).....	120
Portable Sampling System.....	200
Data Acquisition System.....	100
Strip Chart Recorders.....	100
O <sub>2</sub> Analyzer (calibration gases charged separately for all analysers).....	125
CO <sub>2</sub> Analyzer.....	125
CO Analyzer.....	175
NO <sub>x</sub> Analyzer.....	175
SO <sub>2</sub> Analyzer.....	200
THC Analyzer.....	300
FTIR Analyzer (on site).....	750
Gas Chromatograph (on site).....	750
Heated sample line, 50 or 100 Ft.....	100
Isokinetic Sampling System - Complete.....	250
Non-Isokinetic Pump & Meter.....	175
VOST Meter Box.....	225
201A / OTM-027 Cyclone / Cascade Impactor.....	125
Impinger Set.....	100
Midget Impinger Assembly.....	150
Lung Sampler.....	100
Tedlar Bags (each).....	35

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, Kevin J. Crosby

(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

The Avogadro Group, LLC

(Company name)

for contract work at

NCPA Facilities

(Project name and location)

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

Kevin J. Crosby

(Signature of officer or agent)

Dated this 27th day of September, 2013.

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.



## **Lodi Energy Center Project Participant Committee Staff Report**

AGENDA ITEM NO.: 12

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**Date:** July 25, 2017

**Meeting Date:** August 14, 2017

**To:** Lodi Energy Center Project Participant Committee

**Subject:** Summit Crane Company of Solano Inc. dba Summit Crane – Five Year Multi-Task General Services Agreement; Applicable to the following projects: All NCPA locations and Members, SCPPA, and SCPPA Members

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### Proposal

Approve the Multi Task General Services Agreement with Summit Crane Company of Solano Inc. dba Summit Crane for crane services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$500,000 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

Crane 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 in place other agreements with similar service providers including Titan Crane & Rigging and Maxim Crane Works. NCPA 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 \$500,000 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: (2)

- Resolution
- Multi-Task General Services Agreement with Summit Crane Company of Solano Inc.  
dba Summit Crane



**MULTI-TASK  
GENERAL SERVICES AGREEMENT BETWEEN  
THE NORTHERN CALIFORNIA POWER AGENCY AND  
SUMMIT CRANE COMPANY OF SOLANO, INC. DBA SUMMIT CRANE**

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 Summit Crane Company of Solano, Inc. dba Summit Crane, a corporation with its office located at 892 Aldridge Road, Vacaville, CA 95688 ("Contractor") (together sometimes referred to as the "Parties") as of \_\_\_\_\_, 2017 ("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** FIVE HUNDRED THOUSAND dollars (\$500,000.00) for the Work, which shall include all fees, costs, expenses and other reimbursables, as set forth in Contractor's fee schedule, attached hereto and incorporated herein as Exhibit B. This dollar amount is not a guarantee that Agency will pay that full amount to the Contractor, but is merely a limit of potential Agency expenditures under this Agreement.

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

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

Invoices shall be sent to:

Northern California Power Agency  
651 Commerce Drive  
Roseville, California 95678  
Attn: Accounts Payable  
[AcctsPayable@ncpa.com](mailto: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.** Not Applicable.

**4.4     Pollution Insurance.** Not Applicable.

**4.5     All Policies Requirements.**

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

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

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

**4.5.4   Additional Certificates and Endorsements.** If Contractor performs Work for Agency members, SCPPA and/or SCPPA members pursuant to this Agreement, Agency shall have the right to require Contractor to provide the certificates of insurance and/or 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.

**4.6     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. 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.

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

## **Section 5. INDEMNIFICATION AND CONTRACTOR'S RESPONSIBILITIES.**

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

## **Section 6. STATUS OF CONTRACTOR.**

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

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

is based upon Contractor's estimated costs of providing the Work, including salaries and benefits of employees, agents and subcontractors of Contractor.

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

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

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

- 6.6 Maintenance Labor Agreement.** If the Work is subject to the terms of one or more Maintenance Labor Agreements, which are applicable only to certain types of construction, repair and/or maintenance projects, then Contractor shall execute Exhibit E and/or similar documentation as to compliance.

**Section 7. LEGAL REQUIREMENTS.**

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

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

Contractor shall 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:

Summit Crane Company of Solano, Inc. dba Summit Crane  
Attention: Curt Posthuma  
P.O. Box 6714  
Vacaville, CA 95696

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:

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

SUMMIT CRANE COMPANY OF SOLANO,  
INC. dba SUMMIT CRANE

Date\_\_\_\_\_

Date\_\_\_\_\_

\_\_\_\_\_  
**RANDY S. HOWARD,**  
General Manager

\_\_\_\_\_  
**CURT POSTHUMA,** President

Attest:

\_\_\_\_\_  
Assistant Secretary of the Commission

Approved as to Form:

\_\_\_\_\_  
General Counsel

**EXHIBIT A**  
**SCOPE OF WORK**

Summit Crane Company of Solano, Inc. dba Summit Crane ("Contractor") shall provide crane services 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:

- Crane Equipment
- Crane Operators
- On-Site Safety Training
- Operate crane and related equipment, including all necessary mobilization and demobilization



## **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:

<u>CAPACITY</u>	<u>BOOM</u>	<u>CREW SIZE</u>	<u>JIB</u>	<u>HOURLY HAULING REQUIREMENTS</u>	
18-19 Ton Boom Truck with trailer	57'-83'	1	n/a	\$170.00	self contained
26 Ton Boom Truck	106'	1	47'	\$180.00	self contained
40 Ton Boom Truck	126'	1	31'	\$200.00	self contained
40 Ton TC	94'	1	49'	\$205.00	self contained
55 Ton RT	113'	1	50'	\$220.00	lowbed haul required
65-70 Ton	110'	1	56'	\$240.00	self contained
75 Ton (LB)	126'	1	57'	\$265.00	self contained
90 Ton (9k)	142'	1	56'	\$315.00	self contained
75 Ton (15k)	126'	2	57'	\$325.00	1 c/w load
100 Ton (36k)	142'	2	88'	\$355.00	1 c/w load
110 Ton (48k)	142'	2	88'	\$365.00	1 c/w load
120 Ton	197'	2	47'	\$385.00	1 c/w load
160 Ton	197'	2	47'	\$415.00	2 c/w loads
200 Ton	197'	2	121'	\$445.00	2 c/w loads
240 Ton	223'	2	121'	\$475.00	3 c/w loads
275 Ton	223'	2	121'	\$495.00	4 c/w loads
350 Ton	262'	2	121'	\$595.00	6 c/w loads

#### CREW CHARGES

One Man Crew	\$115.00	hr
Two Man Crew	\$225.00	hr

#### OVERTIME

(add to st rates)

\$38.00	hr
\$76.00	hr

#### DOUBLETIME

(add to st rates)

\$76.00	hr
\$152.00	hr

#### HAULING CHARGES

Trctr/Flatbed	\$120.00	hr st
Trctr/8 tire lowbed	\$130.00	hr st
Trctr/16 tire lowbed	\$140.00	hr st
Pilot Car	\$65.00	hr st
Permits	\$60.00	each

#### RIGGING SERVICES

Rigger Foreman w/truck	\$150.00	hr st
	\$188.00	hr ot
	\$226.00	hr dt
Rigger (ea)	\$125.00	hr st
	\$163.00	hr ot
	\$201.00	hr dt

#### Notes:

(LB denotes long boom self contained unit)

(RT denotes Rough Terrain Hyd Crane)

(C/W denotes counterweight)

(9k, 15k, 36k, 48k denotes counterweight configuration)

(5% fuel & insurance surcharge on all trucking & crane invoices, unless provided by others)

(all terms & conditions governed by Operating Engineers local # 3 crane rental master agreement)

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

SUMMIT CRANE COMPANY OF SOLANO, INC. DBA SUMMIT CRANE

(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.

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(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)



## **Lodi Energy Center Project Participant Committee Staff Report**

AGENDA ITEM NO.: 13

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**Date:** June 26, 2017

**Meeting Date:** July 10, 2017

**To:** Lodi Energy Center Project Participant Committee

**Subject:** Kinectrics North America, Inc. – Five Year Multi-Task Professional Services Agreement; Applicable to the following projects: All NCPA locations and Members, SCPPA, and SCPPA Members

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### Proposal

Approve the Multi Task Professional Services Agreement with Kinectrics North America for generator testing and assessment and other miscellaneous technical services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$1,000,000 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

Generator testing and assessment 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 does have in place other agreements with similar service providers including Andritz Hydro, HDR Engineering, Quality Generator Services, and Siemens Energy. NCPA 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 (\$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: (2)

- Resolution
- Multi-Task Professional Services Agreement with Kinectrics North America Inc.



**MULTI-TASK PROFESSIONAL SERVICES AGREEMENT BETWEEN  
THE NORTHERN CALIFORNIA POWER AGENCY AND  
KINETRICS NORTH AMERICA, INC.**

This agreement for professional services ("Agreement") is made by and between the Northern California Power Agency, a joint powers agency with its main office located at 651 Commerce Drive, Roseville, CA 95678-6420 ("Agency") and Kinectrics North America, Inc., a corporation with its office located at 800 Kipling Avenue, Unit 2, Toronto, Ontario, M8Z 5G5 Canada ("Consultant") (together sometimes referred to as the "Parties") as of \_\_\_\_\_, 201\_ ("Effective Date") in Roseville, California.

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

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

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

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

immediately upon receiving written notice from Agency of such request, reassign such personnel.

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

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

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

Agency's reasonable satisfaction, for work performed on a time & materials basis only.

Invoices shall be sent to:

Northern California Power Agency  
651 Commerce Drive  
Roseville, California 95678  
Attn: Accounts Payable  
[AcctsPayable@ncpa.com](mailto:AcctsPayable@ncpa.com)

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

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

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

- 4.1 **Workers' Compensation.** If Consultant employs any person, Consultant shall maintain Statutory Workers' Compensation Insurance and Employer's Liability Insurance for any and all persons employed directly or indirectly by Consultant with limits of not less than one million dollars (\$1,000,000.00) per accident. Consultant shall ensure that any Statutory Workers' Compensation Insurance and Employer's Liability Insurance (or similar, non-U.S. coverage) maintained by Consultant covers any and all persons employed directly or indirectly to perform Services under this Agreement, no matter where such persons perform the Services.

## 4.2 Commercial General and Automobile Liability Insurance.

4.2.1 Commercial General Insurance. Consultant shall maintain commercial general liability insurance for the term of this Agreement, including products liability, covering any loss or liability, including the cost of defense of any action, for bodily injury, death, personal injury and broad form property damage which may arise out of the operations of Consultant. The policy shall provide a minimum limit of \$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. Consultant shall maintain automobile liability insurance form CA 0001 (current edition) for the term of this Agreement covering any loss or liability, including the cost of defense of any action, arising from the operation, maintenance or use of any vehicle (symbol 1), whether or not owned by the Consultant, on or off Agency premises. The policy shall provide a minimum limit of \$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. Consultant shall maintain professional liability insurance appropriate to Consultant's profession performing work in connection with this Agreement in an amount not less than one million dollars (\$1,000,000.00) and two million dollars (\$2,000,000) aggregate covering the Consultant's errors and omissions. Any deductible or self-insured retention shall not exceed two hundred fifty thousand dollars (\$250,000) per claim. Such insurance shall be on a "claims-made" basis, subject to the following conditions: (1) the retroactive date of the policy shall be on or before the Effective Date of this Agreement; (2) the policy shall be maintained for at least five (5) years after completion of the Services and, if requested by Agency, evidence of coverage shall be provided during this period; and (3) if, within five (5) years of completion of the Services, coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the Effective Date of this Agreement, Consultant shall purchase "extended reporting" coverage for a minimum of five (5) years after completion of the Services and, if requested by Agency, provide evidence of coverage during this period.

#### 4.4 All Policies Requirements.

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

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

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

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

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

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

#### Section 5. INDEMNIFICATION AND CONSULTANT'S RESPONSIBILITIES.

5.1 Effect of Insurance. Agency's acceptance of insurance certificates and endorsements required under this Agreement does not relieve Consultant from liability under this

indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply to any damages or claims for damages whether or not such insurance policies shall have been determined to apply. By execution of this Agreement, Consultant acknowledges and agrees to the provisions of this Section and that it is a material element of consideration.

- 5.2 **Scope.** Consultant shall indemnify, defend with counsel reasonably acceptable to the Agency, and hold harmless the Agency and its officials, commissioners, officers, employees, and volunteers from and against any and all claims that arise out of, pertain to or relate to the negligence, recklessness or willful misconduct of the Consultant in its performance of Services under this Agreement. Consultant shall bear all losses, costs, damages, expense and liability of every kind, nature and description that arise out of, pertain to, or relate to such claims, whether directly or indirectly ("Liabilities"). Such obligations to defend, hold harmless and indemnify the Agency shall not apply to the extent that such Liabilities are caused by the sole negligence, active negligence, or willful misconduct of the Agency.

Notwithstanding the above, Consultant's total aggregate liability for damages arising from any cause or action whatsoever shall be limited to the applicable policy limit amounts detailed in Section 4 above (as long as Consultant maintains in effect and applicability the required insurance, including but not limited to the amounts, deductibles, and scope referenced herein) or, for claims not covered by insurance, one million dollars (\$1 million). In no event shall Consultant at any time be liable to the Agency for any indirect, incidental or consequential damages which may be sustained by them, including but not limited to loss of revenue, profit, business reputation or opportunity whether such liability arises out of contract, tort, strict liability, warranty or other legal theory whether at law, in equity or otherwise.

## **Section 6. STATUS OF CONSULTANT.**

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

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

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

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

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

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

**Section 7. LEGAL REQUIREMENTS.**

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

**Section 8. TERMINATION AND MODIFICATION.**

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

In the event of termination, Consultant shall be entitled to compensation for Services satisfactorily completed as of the effective date of termination, as well as Consultant's actual, direct, unavoidable direct costs resulting from such termination. "Actual, direct, unavoidable costs" means the cost of any preapproved uncancellable commitments incurred prior to the date of termination and similar costs, but shall not include profit or overhead expenses of Consultant. Consultant shall make every reasonable effort to minimize such costs upon termination. In no event shall the compensation of Consultant provided for in this Section exceed the cost of the applicable Purchase Order(s); Agency, however, may condition payment of such compensation upon Consultant delivering to Agency any or all records or documents, as referenced in Section 9.1 hereof.

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

8.4.1 Immediately terminate the Agreement;



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

## **Section 9. KEEPING AND STATUS OF RECORDS.**

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

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

- 9.2 **Consultant's Books and Records.** Consultant shall maintain any and all records or other documents evidencing or relating to charges for Services or expenditures and disbursements charged to the Agency under this Agreement for a minimum of three (3) years, or for any longer period required by law, from the date of final payment to the Consultant to this Agreement.
- 9.3 **Inspection and Audit of Records.** Any records or documents that this Agreement requires Consultant to maintain shall be made available for inspection, audit, and/or copying at any time during regular business hours, upon oral or written request of the Agency. Under California Government Code Section 8546.7, if the amount of public funds expended under this Agreement exceeds ten thousand dollars (\$10,000.00), the Agreement shall be subject to the examination and audit of the State Auditor, at the request of Agency or as part of any audit of the Agency, for a period of three (3) years after final payment under the Agreement. Notwithstanding the above, Agency shall not audit

the cost or pricing components of any fixed price work. Note: Agency makes no guarantees or representations concerning the scope of an audit by the State Auditor pursuant to California law.

#### 9.4 **Confidential Information and Disclosure.**

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

9.4.2 **Non-Disclosure of Confidential Information.** During the term of this Agreement, either party may disclose ("The Disclosing Party") confidential Information to the other party ("the Receiving Party"). The Receiving Party: (a) shall hold the Disclosing Party's Confidential Information in 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, consultants, contractors, subcontractors or other representatives of Receiving Party that have a need to know in connection with this Agreement.

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

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

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

**Section 10. MISCELLANEOUS PROVISIONS.**

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

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

- 10.7 **Contract Administrator.** This Agreement shall be administered by 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.

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

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

Any written notice to Agency shall be sent to:

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

With a copy to:

General Counsel  
Northern California Power Agency  
651 Commerce Drive  
Roseville, CA 95678

- 10.9 **Professional Seal.** Where applicable in the determination of the Agency, for engineering work, the first page of a technical report, first page of design specifications, and each page of construction drawings shall be stamped/sealed and signed by the licensed professional responsible for the report/design preparation.
- 10.10 **Integration; Incorporation.** This Agreement, including all the exhibits attached hereto, represents the entire and integrated agreement between Agency and Consultant and supersedes all prior negotiations, representations, or agreements, either written or oral. All exhibits attached hereto are incorporated by reference herein.

- 10.11 **Alternative Dispute Resolution.** If any dispute arises between the Parties that cannot be settled after engaging in good faith negotiations, Agency and Consultant agree to resolve the dispute in accordance with the following:
- 10.11.1 Each party shall designate a senior management or executive level representative to negotiate any dispute;
  - 10.11.2 The representatives shall attempt, through good faith negotiations, to resolve the dispute by any means within their authority.
  - 10.11.3 If the issue remains unresolved after fifteen (15) days of good faith negotiations, the Parties shall attempt to resolve the disagreement by negotiation between legal counsel. If the above process fails, the Parties shall resolve any remaining disputes through mediation to expedite the resolution of the dispute.
  - 10.11.4 The mediation process shall provide for the selection within fifteen (15) days by both Parties of a disinterested third person as mediator, shall be commenced within thirty (30) days and shall be concluded within fifteen (15) days from the commencement of the mediation.
  - 10.11.5 The Parties shall equally bear the costs of any third party in any alternative dispute resolution process.
  - 10.11.6 The alternative dispute resolution process is a material condition to this Agreement and must be exhausted as an administrative prior to either Party initiating legal action. This alternative dispute resolution process is not intended to nor shall be construed to change the time periods for filing a claim or action specified by Government Code §§ 900 *et seq.*
- 10.12 **Controlling Provisions.** In the case of any conflict between the terms of this Agreement and the Exhibits hereto, a Purchase Order, or Consultant's Proposal (if any), the Agreement shall control. In the case of any conflict between the Exhibits hereto and a Purchase Order or the Consultant's Proposal, the Exhibits shall control. In the case of any conflict between the terms of a Purchase Order and the Consultant's Proposal, the Purchase Order shall control.
- 10.13 **Counterparts.** This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one agreement.
- 10.14 **Construction of Agreement.** Each party hereto has had an equivalent opportunity to participate in the drafting of the Agreement and/or to consult with legal counsel. Therefore, the usual construction of an agreement against the drafting party shall not apply hereto.

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

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

NORTHERN CALIFORNIA POWER AGENCY

KINETRICS NORTH AMERICA, INC.

Date\_\_\_\_\_

Date\_\_\_\_\_

\_\_\_\_\_  
RANDY HOWARD, General Manager

\_\_\_\_\_  
SHAHROKH ZANGENEH, VP of Sales

Attest:

\_\_\_\_\_  
Assistant Secretary of the Commission

Approved as to Form:

\_\_\_\_\_  
Assistant General Counsel

## EXHIBIT A

### SCOPE OF SERVICES

Kinectrics North America, Inc. ("Contractor") as requested by Northern California Power Agency ("Agency"), Agency Members, SCPPA, or SCPPA Members, shall perform the following services including, without limitation:

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

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

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

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

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

#### III.    **Stator Winding Capacitance and Dissipation Factor ( $\tan \delta$ ) Test:**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### VII.   **Stator Winding Resistance**

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



## VIII.    **Stator AC Overvoltage Withstand Test**

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

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

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

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

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

## XI.    **Additional Generator Tests;**

### 1.    **Stator Slot Wedge Tightness**

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

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

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

### 3.    **Isolated Phase Bus Test**

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

## II. Failure Analysis and Other Miscellaneous Technical Assistance

Perform document review for NCPA on an as requested basis.

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

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

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

### THERMAL CYCLING TEST:

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

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

### VOLTAGE ENDURANCE TEST:

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

The test conditions shall be as follows:

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

#### **Pass/Fail Criteria:**

#### **Surge Test (Coils Only):**

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

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

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

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

#### **Thermal Cycling Test:**

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

#### **Voltage Endurance Testing:**

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

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

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

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

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

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

## EXHIBIT B

### COMPENSATION SCHEDULE AND HOURLY FEES

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

I. Standard Generator Testing and Assessment: \$39,000

II. Advance Generator Testing and Assessment: TBD

III. Additional Generator Tests

1. Wedge Test: \$9,500

2. ELCID Test: \$11,500

3. Iso-Phase Bus Test: \$4,500

Additional Day (Mon-Fri): \$6,000

Additional Day (Sat-Sun): \$8,000

IV. Technical Assistance and Document Review:

1. Hourly Rate: \$200/Hour

2. Expenses: Expenses + 15% Handling Fee

V. Qualification Testing of 13.8kV stator bars/coils: \$55,000 (Does not include any failure analysis and/or repeat testing in case of any failure of the samples)

#### NOTES:

- Pricing is valid to December 31, 2018 and is subject to a 3% per year escalation for following years.
- Reimbursable expenses will be billed as separate line items.
- As a public agency, NCPA shall not reimburse Consultant for travel, food and related costs in excess of those permitted by the Internal Revenue Service.

EXHIBIT C

CERTIFICATION

Affidavit of Compliance for Contractors

I,

\_\_\_\_\_  
(Name of person signing affidavit)(Title)

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

\_\_\_\_\_  
(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.

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# **Lodi Energy Center PPC Monthly Meeting**

Reimbursement Methodologies for  
Situations Where Shared Capacity is  
Allocated to a Single Project

August 14, 2017

## Recent Example

### **Water Supply Disruption:**

- The Lodi Energy Center and/or STIG were forced out of service from July 19, 2017 through July 25, 2017

### **Not Enough Water for Both Plants:**

- During the outage period there was not enough water for both plants.
- STIG was kept on a forced out from July 22<sup>nd</sup> through July 25<sup>th</sup> to allow the available water to be used for the LEC.



## STIG Opportunity Costs

### Forgone Margin:

- We are currently bidding the STIG into the market at approximately 120% of its variable cost. This strategy is in place because replacement parts for the STIG are unavailable, it has a relative high heat rate and its long-term resource adequacy capacity is valued more than its energy margin.
- A backcast of the STIG's current bidding strategy shows that it would not have been dispatched by CAISO in the day-ahead market during the outage period.
- There was no STIG margin opportunity costs for the outage period from July 22, 2017 through July 25, 2017.
- This is not always the case. If the STIG had been forced out on August 1, 2016 the opportunity cost would have been \$40,883.

## STIG Opportunity Costs (continued)

### Compliance Equation Purchases:

- Bidding the STIG into the day-ahead market counts towards the metered sub-system's compliance equation accounting balance.
- Due to the STIG outage NCPA pre-scheduling staff, for July 22<sup>nd</sup> through the 25<sup>th</sup>, had to purchase power in the day-ahead market to meet requirements of the compliance equation.
- The contract cost of this power was \$15,755, while its CAISO settlement revenue was \$14,745. Thus there was a **net cost of \$1,009** that would not otherwise had occur had the STIG been bid into the day-ahead market.

## STIG / LEC Cost Compensation Discussion

### Issue:

- The water issue in this example highlights the need to have a compensation mechanism in place for situations where shared capacity limitations are directed towards one project at the possible expense of the other.
- The purpose of this presentation is to highlight the issue to the Project Participate Committee. Moreover, staff will be working on a recommendation in concert with both this committee and the Facilities Committee.

# STIG / LEC Cost Compensation Discussion

## Recommendation:

- Develop Facilities / PMOA schedules that address and explains the reimbursement and or cost sharing mechanism that will be used to compensate instances where constrained capacity is utilized for a single project at the expense of the other.