



12745 N. Thornton Road
Lodi, CA 95242

phone (209) 333-6370
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LEC PPC Agenda

Subject: November 4, 2024 Lodi Energy Center Project Participant Committee Meeting

Location: 12745 N. Thornton Road, Lodi, CA and/or Posted Teleconference Locations

Time: 10:00 am Pacific Standard Time

*** 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 2150 Webster Street, 1 st 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 3016 Sixth Street Biggs, CA 95917	PLUMAS-SIERRA RURAL ELECTRIC COOP 73233 Highway 70 Portola, CA 96122	POWER & WATER RESOURCES POOLING AUTHORITY 1002 Cooper Ave Glenwood Springs, CO 81601
CALIFORNIA DEPARTMENT OF WATER RESOURCES 1425 River Park Dr. Suite 300. Sacramento, CA 95815	SILICON VALLEY POWER/CITY OF SANTA CLARA 881 Martin Avenue Santa Clara, CA 95050	CITY OF UKIAH 411 W. Clay St. Ukiah, CA 95482
CITY OF AZUSA 729 N. Azusa Avenue Azusa, CA 91702	CITY OF LODI 1331 S. Ham Lane Lodi, CA 95242	

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 request. Pursuant to California Government Code Section 54957.5, the following is the location at which the public can view Agendas and other public writings: NCPA, 651 Commerce Drive, Roseville, CA or www.ncpa.com

1. Review Safety Procedures

2. Call Meeting to Order and Roll Call

PUBLIC FORUM

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

3. Meeting Minutes – Approval of October 7, 2024 Regular Meeting Minutes

MONTHLY REPORTS

4. Operational Report for October 2024

5. Market Data Report for October 2024

6. Monthly Asset Report for September 2024

7. Bidding Strategies Report

CONSENT CALENDAR

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

8. Treasurer's Report for September 2024 – Accept by all Participants

9. Financial Report for September 2024 – Approve by all Participants

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

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- 11. PMOA Schedule 6.00** – Staff is seeking approval of revisions to Schedule 6.00 of the Project Management and Operations agreement for requested changes to the City of Biggs representatives.
- 12. Kinectrics AES, Inc. First Amendment to MTPSA** – Staff is seeking a recommendation for approval of a First Amendment to the Multi-Task Professional Services Agreement with Kinectrics AES, Inc. generator testing and assessment services and transmission and distribution field inspection, testing, and training services, with any non-substantial changes recommended and approved by the NCPA General Counsel, amending the Scope of Work and Exhibit B – Compensation Schedule and Hourly Fees and increasing the not to exceed amount from \$1,000,000 to \$2,000,000, with no change to the contract term, for continued use at any facilities owned and/or operated by NCPA, NCPA Members, by SCPPA and SCPPA Members.
- 13. Atlas Copco Compressors, LLC MTGSA** – Staff is seeking a recommendation for approval of a five-year Multi-Task General Services Agreement with Atlas Copco Compressors, LLC for air compressor and motor maintenance related services, with a not to exceed amount of \$2,000,000, for use at all facilities owned and/or operated by NCPA, NCPA Members, SCPPA, and SCPPA Members.
- 14. RAM Mechanical, Inc. MTGSA** – Staff is seeking a recommendation for approval of a five-year Multi-Task General Services Agreement with RAM Mechanical, Inc. for general T&M maintenance services, with a not to exceed amount of \$2,000,000, for use at all facilities owned and/or operated by NCPA, NCPA Members, SCPPA, and SCPPA Members.
- 15. RTS Reliability Testing Services, LLC MTCSA** – Staff is seeking a recommendation for approval of a five-year Multi-Task Consulting Services Agreement with RTS Reliability Testing Services, LLC for predictive maintenance related services, with a not to exceed amount of \$2,000,000, for use at all facilities owned and/or operated by NCPA, NCPA Members, SCPPA, and SCPPA Members.
- 16. FY24 Annual Billing Settlement Summary** – Staff is seeking a recommendation for approval of the FY24 Annual Billing Settlement Summary for the period July 1, 2023 through June 30, 2024.

Consent Items pulled for discussion: _____

DISCUSSION/ACTION ITEMS

- 17. Decommissioning Reserves Policy** – Staff is seeking a recommendation for approval of a new Agency Decommissioning Reserve Policy for the Lodi Energy Center.
- 18. Appointment of New Chairperson for the LEC PPC** – Election of a new Chairperson to conduct the business of the LEC Project Participant Committee.
- 19. Appointment of a New Vice Chairperson for the LEC PPC** – Election of a new Vice Chairperson to conduct the business of the LEC Project Participant Committee.

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.

INFORMATIONAL ITEMS

20. Lodi Energy Center Hydrogen Upgrade Project – Staff will provide an update regarding the potential hydrogen upgrade project at the Lodi Energy Center.

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

ADJOURNMENT

Next Regular Meeting: December 9, 2024 at 10:00 am Pacific Standard Time

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



651 Commerce Drive
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LEC PPC Meeting Minutes

Date: Monday, October 7, 2024

Time: 10:00 am Pacific Standard Time

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

Subject: Lodi Energy Center Project Participant Committee Meeting

1. Review Safety Procedures

The PPC reviewed the NCPA Safety Procedures and assigned safety roles.

2. Call Meeting to Order and Roll Call

Chairman Brock Costalupes called to order the Project Participant Committee meeting at 10:08 am. He asked that roll be called for the Project Participants as listed below. Lompoc and Azusa arrived after roll call.

PPC Meeting Attendance Summary		
Participant	Attendance	Particulars / GES
Azusa - Torres	Absent	2.7857%
BART - Lloyd	Absent	6.6000%
Biggs - Schmidt	Absent	0.2679%
CDWR - Louie	Present	33.5000%
Gridley - Wagner	Absent	1.9643%
Healdsburg - Crowley	Absent	1.6428%
Lodi - Chiang	Absent	9.5000%
Lompoc - McDonald	Absent	2.0357%
MID - Costalupes	Present	10.7143%
Plumas-Sierra - Brozo	Absent	0.7857%
PWRPA - Bradley	Present	2.6679%
SVP - Wong	Present	25.7500%
Ukiah -	Absent	1.7857%
Summary		
Present	4	72.6322%
Absent	9	27.3678%
Quorum by #:	No	
Quorum by GES:	Yes	
Meeting Date:	October 7, 2024	

Public Forum

Chairman Costalupes 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.

3. Meeting Minutes

The draft minutes from the September 9, 2024 regular meeting were considered. There were no objections or requested corrections. The LEC PPC considered the following motion:

Date: 10/7/2024

Motion: The PPC approves the minutes from the September 9, 2024 Regular Meeting.

Moved by: MID

Seconded by: SVP

Discussion: There was no further discussion

Vote Summary on Motion		
Participant	Vote	Particulars / GES
Azusa	Absent	2.7857%
BART	Absent	6.6000%
Biggs	Absent	0.2679%
CDWR	Yes	33.5000%
Gridley	Absent	1.9643%
Healdsburg	Absent	1.6428%
Lodi	Absent	9.5000%
Lompoc	Absent	2.0357%
Modesto	Yes	10.7143%
Plumas-Sierra	Absent	0.7857%
PWRPA	Yes	2.6679%
Silicon Valley Power	Yes	25.7500%
Ukiah	Absent	1.7857%
Vote Summary		
Total Ayes	4	72.6322%
Total Noes	0	0.0000%
Total Abstain	0	0.0000%
Total Absent	9	27.3678%
Result: Motion Passed		

MONTHLY REPORTS

4. Operational Report

Ryan Johnson presented the Operational Report for September. There were no OSHA recordable or non-recordable incidents. There were no NERC/WECC or permit violations. There were two outages in the month of September due to auxiliary boiler trouble and a gas compressor leak.

The operational report reflected monthly production of 34,280 MWH, 147 service hours, and equivalent operating availability of 96.3%. The report set for the Capacity Factor @ 302MW Pmax of 15.8%. There were three cold starts, three warm starts and no hot starts during the month.

5. Market Data Report

Bob Caracristi presented the operating and financial settlement results for the month. LEC was committed to CAISO 10 out of 30 available days. There were six starts during the month. There were 20 days where LEC was uneconomic.

6. Monthly Asset Report

Rafael Santana presented the monthly asset report for August 2024, showing that net costs are below budget. Rafael reviewed the monthly historical comparisons as well as the 12-month history.

7. Bidding Strategies Report

Jesse Shields presented the Bidding Strategies Report for September 2024. Jesse reviewed bidding and calculated net start-up costs. Jesse reviewed DA and RT net revenues over the month with the Committee.

Consent Calendar (Items # 8 – # 14)

The consent calendar was considered. Chairman Costalupes 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: 10/7/2024

Motion: The PPC approves the Consent Calendar items consisting of agenda items no.: **8.** Treasurer's Report for August 2024; **9.** Financial Report for August 2024; **10.** GHG Reports (excerpted from the Monthly ARB); **11.** Property Insurance Renewal authorizing the General Manager to negotiate and bind renewal of the Agency's property insurance program for CY 2025; **12.** Hill Brothers Chemical Company 5-year MTEMS for chemical purchases, not to exceed \$2,500,000, for use at all facilities owned and/or operated by NCPA; **13.** CEQA Notice of Exemption Filings authorizing the General Manager or his designee to file with the appropriate County Clerks the California Environmental Quality Act (CEQA) Notice(s) of Exemption (NOEs) for routine operation and maintenance activities at the NCPA Plant Facilities; **14.** PMOA Schedule 6.00 updates for requested changes to the City of Gridley representative as well as incorporating Project Participant designated Alternates into the Schedule.

Moved by:
Seconded by:

SVP
Lompoc

Discussion: There was no further discussion.

Vote Summary on Motion		
Participant	Vote	Particulars / GES
Azusa	Yes	2.7857%
BART	Absent	6.6000%
Biggs	Absent	0.2679%
CDWR	Yes	33.5000%
Gridley	Absent	1.9643%
Healdsburg	Absent	1.6428%
Lodi	Absent	9.5000%
Lompoc	Yes	2.0357%
Modesto	Yes	10.7143%
Plumas-Sierra	Absent	0.7857%
PWRPA	Yes	2.6679%
Silicon Valley Power	Yes	25.7500%
Ukiah	Absent	1.7857%
Vote Summary		
Total Ayes	6	77.4536%
Total Noes	0	0.0000%
Total Abstain	0	0.0000%
Total Absent	7	22.5464%
Result:	Motion Passed	

DISCUSSION / ACTION ITEMS

15. Decommissioning Reserve Policy

Sondra Ainsworth discussed the new Decommissioning Reserve Policy and the information used to create it. The members requested time to review the supporting documentation and studies before voting on this matter. The documents will be provided to the members for review and this item will be discussed again at the regular November meeting.

16. FY2024 Annual Billing Settlements Review

The member agreed to move this presentation in the agenda and discuss it after the Operational Updates. Sondra Ainsworth presented a preliminary draft of LEC's FY2024 Annual Billing Settlement and encumbrances for the period of July 1, 2023 – June 30, 2024.

INFORMATIONAL ITEMS

17. Lodi Energy Center Hydrogen Upgrade Project

Gordon Loyd informed the members that GHD's Hydrogen Study has been completed and the final report should be available for presentation at next month's meeting.

18. Additional Operational Updates

Rafael Santana discussed the reason for the forced outages. This issue with the auxiliary boiler has been temporarily fixed while awaiting a new inlet damper positioner to arrive and be installed. The leak from gas compressor B was identified as coming from the drive end mechanical seal area. A Kobelco field technician is being scheduled to assist with changing the defective seal. LEC is using gas compressor A for operations.

Rafael also discussed updates regarding the FX Upgrade. He provided the estimated timeline for updating our air permit, finalizing our CEC agreement and Siemens contract addendum and payment schedule.

ADJOURNMENT

Next Regular Meeting: November 4, 2024 at 10:00 am Pacific Standard Time

The meeting was adjourned at 11:34 am.

Submitted by: Julie Kenkel

Lodi Energy Center Project Participant Committee

Operational Report

Agenda Item No.: 4

Date: 11/04/2024

To: Lodi Energy Center Project Participant Committee

Safety

- OSHA Recordable/Reportable: 0 incidents
- Non-Recordable/Reportable: 1 incidents
 - Spill/Release: On 9/30 at approximately 14:31 while observing the LEC fuel gas compressor start, an operator notified the LEC Control Room of an oil leak on fuel gas compressor B. The Control Room shut the compressor down. Oil mist and natural gas continued to release from the compressor as it depressurized. The Control Room activated our Emergency Response Plan for an oil spill, and notified management. Management decided to vent the gas supply line feeding LEC to safely isolate the compressor, initiating a forced outage. Once the compressor was safely depressurized, it was isolated for troubleshooting, the supply line was placed back into service, and LEC was returned to service. An internal oil seal was found to have failed in the compressor. No injuries or near-misses were reported as a result of this incident. No oil was released from site, thus no regulatory notifications were triggered.

Notice of Violations

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

Outage Summaries:

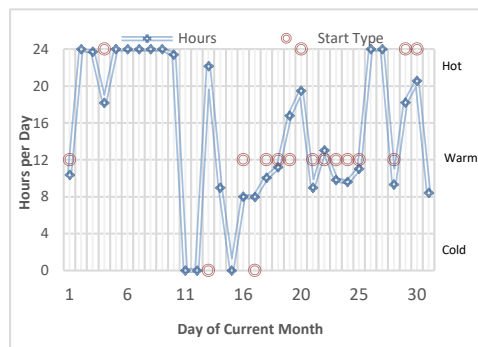
- 9/30 @ 15:22 - 10/01 @ 13:51; Gas compressor trouble, OMS 16667206

Planned Outage Summaries:

- November 12-15; Tentative, for ammonia tank valve replacement
- April 1-30, 2025; Annual maintenance outage.

LEC Generating Unit Statistics:
Date: 10/1/2024

1. Monthly Production	110,546	MWh
2. Productivity Factor		
a. Service Hours	473	Hours
b. Service Factor	65.0	%
c. Capacity Factor @ 302MW Pmax	50.2	%
3. Equivalent Operating Availability (EOA)	98.1	%
4. Forced Outages		
a. Forced Outage Rate (FOR)	2.9	%
b. Forced Outage Factor (FOF)	1.9	%



5. Heat Rate Deviation		
a. Fuel Cost (Not Current Market Price)	4.00	\$/mmBTU

MW Range	PMOA HR BTU/kW-Hr	Average HR BTU/kW-Hr	Deviation %	Production MWh	Cost \$
Seg. 1 296 +	6850	0	0.00%	0	\$0
Seg. 2 284 - 296	6870	6,892	0.32%	8,229	\$727
Seg. 3 275 - 284	6971	6,949	-0.31%	26,621	-\$2,333
Seg. 4 250 - 275	7081	6,949	-1.86%	23,630	-\$12,447
Seg. 5 225 - 250	7130	7,021	-1.53%	23,506	-\$10,268
Seg. 6 200 - 225	7200	7,118	-1.14%	20,457	-\$6,741
Seg. 7 175 - 225	7450	7,396	-0.73%	3,699	-\$802
Seg. 8 165 - 175	7760	7,846	1.10%	147	\$50
	7,164	7,010	-2.15%	106,289	-\$31,814

6. AGC Control Deviation

MW Range	High Dev MWh	Low Dev MWh	Total Dev MWh	Cost \$
Seg. 1 296 +	0	0	0	\$0
Seg. 2 284 - 296	0	0	0	\$0
Seg. 3 275 - 284	0	0	0	\$7
Seg. 4 250 - 275	0	-6	6	\$161
Seg. 5 225 - 250	0	0	0	\$8
Seg. 6 200 - 225	0	0	0	\$5
Seg. 7 175 - 225	0	0	0	\$0
Seg. 8 165 - 175	0	0	0	\$0
	0	-6	7	\$181

7. Starting Reliability

Start Type	Hot Starts	Warm Starts	Cold Starts
Number of Starts	4	11	2
Start Time Benchmark (Minutes)	20		
Start Time Actual (Average Minute)	17	18	17
Start Time Deviation (%)	-15%	-13%	-18%
Start Fuel Benchmark (mmBTU)	250		
Start Fuel Actual (Average mmBTU)	166	177	251
Fuel Deviation (%)	-33%	-29%	0%
Costs of Fuel Deviations (\$)	-\$1,339	-\$3,219	\$7

Definitions:

1. Monthly Production = Plant Net MWh's
2. Capacity Factor
 - a. Service Hours (SH) = In-Production or In-Service State, i.e. "Plant On"
 - b. Service Factor = $SH / HIM \times 100\%$; (HIM = hours in month, aka possible hours)
 - c. Capacity Factor = $Production / 302MW \times HIM$
3. Equivalent Operating Availability (EOA) = $(HIM - FOH - POH) / HIM \times 100\%$; (FOH = Forced Outage Hours, POH = Planned Outage Hours)
4. Forced Outage, From NERC GADS Training, Appendix F: Performance Indexes and Equations
 - a. Forced Outage Rate (FOR) = $FOH / (FOH + SH) \times 100\%$
 - b. Forced Outage Factor (FOF) = $FOH/HIM \times 100\%$
5. Heat Rate Deviation (HRD)
 - a. Fuel Cost = Standard Cost of Fuel in \$/mmBTU
 - b. Average Heat Rate (HR) = Average heat rate for the given Segment; weighted total average at bottom
 - c. Heat Rate Deviation = $(Heat\ Rate\ Average - Heat\ Rate\ Expected) / Heat\ Rate\ Expected \times 100\%$
 - d. Production = Sum of production for the given Segment
 - 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
 - i. Hot = Time between plant shutdown and startup < 6 hours
 - ii. Warm = Time between plant shutdown and startup 6 - 20 hours
 - iii. Cold = Time between plant shutdown and startup > 20 hours
 - b. Start Time = Average Time from 0 Fuel Flow to Pmin (Pmin = 100 MW)
 - c. Start Fuel = Average Fuel Consumption to Pmin
 - d. Cost of Fuel Deviation = $(Actual\ Fuel\ Consumed - Expected\ Fuel) \times Cost\ of\ Fuel$

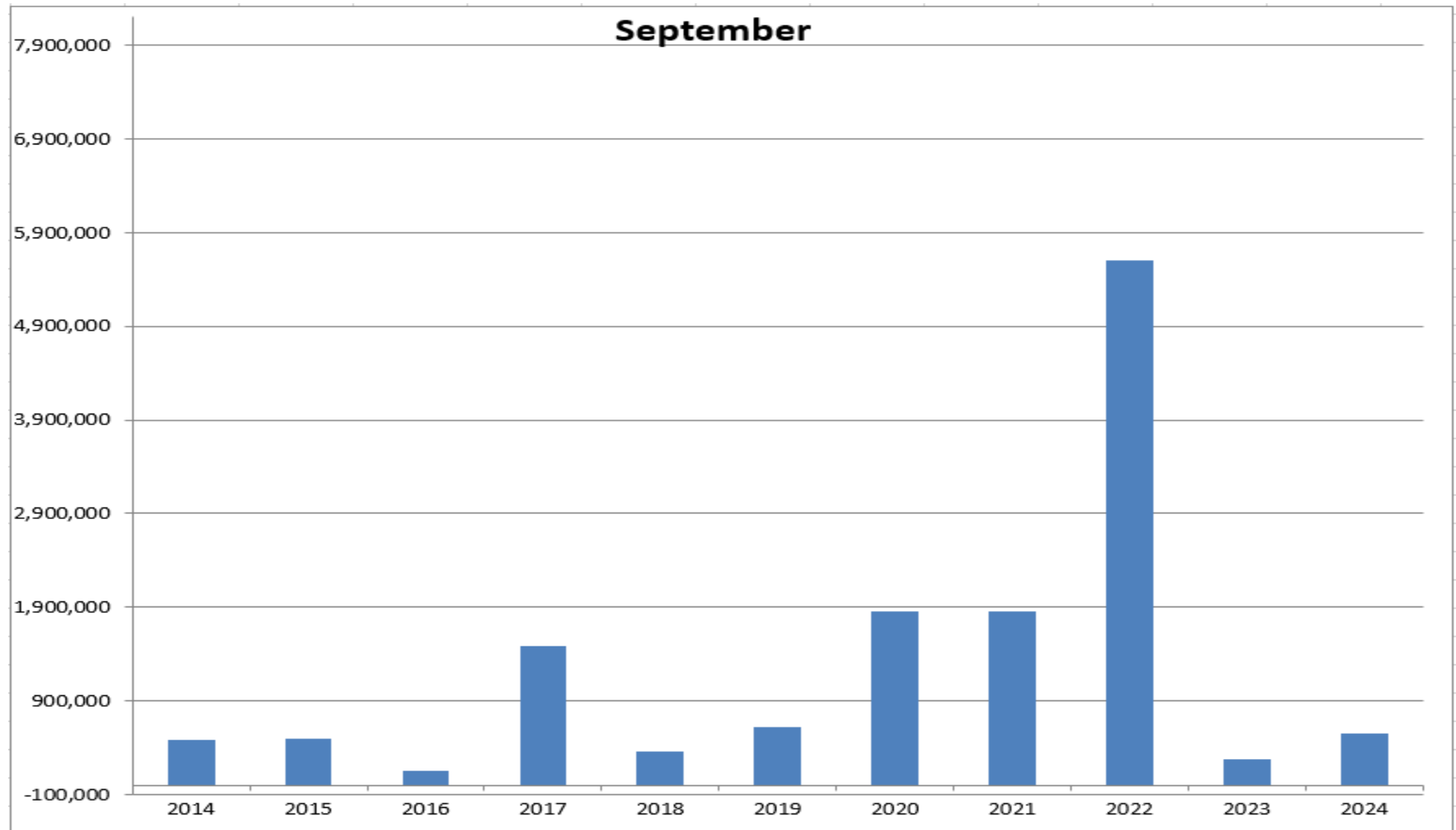
Lodi Energy Center
Monthly Budget Analysis
Expenditures
Report Date: 10/21/2024

	July	August	September	October	November	December	January	February	March	April	May	June	Year	FY2025 Budget	Percent Used	Comments
VOM	5,218,814	2,529,221	1,803,660	8,994,492	5,519,770	14,901,572	17,490,768	8,784,959	6,280,707	1,421,290	283,578	5,341,500	78,570,332	104,889,106	74.9%	
Capacity Factor	47%	25%	16%	47%	31%	68%	72%	52%	37%	0%	2%	26%	35%	35%	100.0%	CF Lower by 74% due to market weakness
Fuel Consumed (mmBTU, estimated)	758,951	396,532	246,972	776,509	501,306	1,099,159	1,160,293	806,333	639,346	0	38,334	458,913	6,882,649	8,288,573	83.0%	
Avg Fuel Cost (\$/mmBTU)	3.81	3.86	3.55	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.77	9.34	8.3%	Fuel Pricing lower by 51% due to market weakness
Power Produced (MWhr, estimated)	104,830	55,214	34,282	105,610	66,459	153,359	160,844	109,705	83,751	0	3,995	57,321	935,371	1,127,248	83.0%	
Avg Power Price (\$/MWhr)	70.63	62.56	68.08	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	14.10	100.57	14.0%	Avg power pricing lower by 46% due to market weakness
Operations / Variable / LTSA	155,856	174,273	211,288	1,231,897	81,769	160,880	1,249,107	119,307	97,976	1,421,290	26,418	560,603	5,490,664	5,616,489	97.8%	
Fuel (estimated)	2,893,970	1,530,807	877,171	5,855,258	4,198,329	11,924,837	13,170,000	6,596,698	4,569,781	0	164,657	3,615,383	55,396,891	77,589,905	71.4%	
AB32 GHG Offset (estimated)	1,477,277	730,347	464,713	1,676,494	1,082,328	2,373,102	2,592,922	1,801,924	1,428,755	0	85,665	1,025,540	14,739,066	18,130,062	81.3%	
CA ISO Charges (estimated)	691,711	93,794	250,488	230,843	157,344	442,753	478,739	267,031	184,195	0	6,838	139,975	2,943,711	3,552,650	82.9%	
Routine O&M (Fixed)	1,265,968	1,258,618	1,491,010	1,215,866	1,509,171	1,228,864	1,178,367	1,229,865	1,230,866	1,298,321	1,434,171	1,211,358	15,552,445	15,221,959	102.2%	
Maintenance / Fixed	301,092	326,538	555,554	288,978	288,978	288,978	288,978	288,978	288,978	408,934	288,978	288,978	3,903,942	3,587,692	108.8%	Cooling Tower Fill Work and T3K DCS Contract Annual Payment
Administration	2,201	8,971	3,936	15,695	15,695	15,695	15,695	15,695	15,695	15,695	15,695	15,700	156,368	188,345	83.0%	
Mandatory Costs	170,786	48,533	10,041	32,189	32,189	32,189	32,189	32,189	32,189	32,189	32,189	32,190	519,062	386,269	134.4%	
Inventory Stock	0	70,753	115,567	37,500	75,000	50,500	0	51,500	52,500	0	0	33,000	486,320	450,000	0.0%	
Labor	464,848	474,063	492,010	511,609	767,413	511,609	511,609	511,609	511,609	511,609	767,413	511,609	6,547,010	6,650,919	98.4%	
Insurance	154,128	154,128	154,128	154,128	154,127	154,127	154,127	154,127	154,127	154,127	154,127	154,127	1,849,528	1,849,532	100.0%	
Power Management & Settlements	159,413	159,413	159,413	159,413	159,413	159,413	159,413	159,413	159,413	159,413	159,413	159,413	1,912,956	1,912,958	100.0%	
Other Costs	13,500	16,219	361	16,354	16,356	16,353	16,356	16,354	16,355	16,354	16,356	16,341	177,259	196,244	90.3%	
Projects	488,408	233,133	320,767	230,782	273,033	492,333	5,047,999	1,013,384	285,133	1,432,504	930,333	280,334	11,028,143	10,857,834	101.6%	
Maintenance Reserve	230,783	230,783	230,783	230,782	230,782	230,782	230,782	230,782	230,782	230,782	230,782	230,788	2,769,393	2,769,390	100.0%	
Operations & Maintenance Projects	257,625	2,350	89,984	0	42,251	61,551	50,551	57,602	54,351	1,201,722	49,551	49,546	1,917,084	1,746,778	109.7%	
Capital Projects	0	0	0	0	0	200,000	4,766,666	725,000	0	0	650,000	0	6,341,666	6,341,666	100.0%	
A&G	258,568	264,976	264,976	264,872	264,872	264,872	264,871	264,871	264,871	264,871	264,871	264,872	3,172,363	3,178,462	99.8%	
Administrative & General (Allocated)	216,457	222,865	222,865	222,867	222,867	222,867	222,866	222,866	222,866	222,866	222,866	222,866	2,667,984	2,674,401	99.8%	
Generation Services Shared	42,111	42,111	42,111	42,005	42,005	42,005	42,005	42,005	42,005	42,005	42,005	42,006	504,379	504,061	100.1%	
Total O&M Cost	7,231,758	4,285,948	3,880,413	10,706,012	7,566,846	16,887,641	23,982,005	11,293,079	8,061,577	4,416,986	2,912,953	7,098,064	108,323,283	134,147,361	80.7%	
Debt Service	2,168,156	2,168,156	2,168,156	0	0	0	0	0	0	0	0	0	6,504,468	26,017,868	25.0%	
Revenues	7,467,852	3,544,816	2,429,142	7,165,080	4,541,134	18,841,193	19,549,541	11,178,355	8,437,844	0	7,030	2,523,508	85,685,495	115,666,635	74.1%	
ISO Energy Sales (estimated)	7,403,911	3,454,165	2,334,033	6,999,753	4,449,805	18,542,462	19,140,077	10,990,204	8,280,116	0	0	2,423,424	84,017,949	113,367,408	74.1%	ISO Energy sales down by 86% due to market weakness
Other Income	63,941	90,651	95,109	165,328	91,330	298,731	409,463	188,152	157,727	0	7,030	100,084	1,667,546	2,299,227		
Net	(\$1,932,062)	(\$2,909,288)	(\$3,619,427)	(\$3,540,932)	(\$3,025,712)	\$1,953,552	(\$4,432,464)	(\$114,724)	\$376,266	(\$4,416,986)	(\$2,905,923)	(\$4,574,556)	(\$29,142,256)	(\$44,498,594)	Below budget by 34.51%	

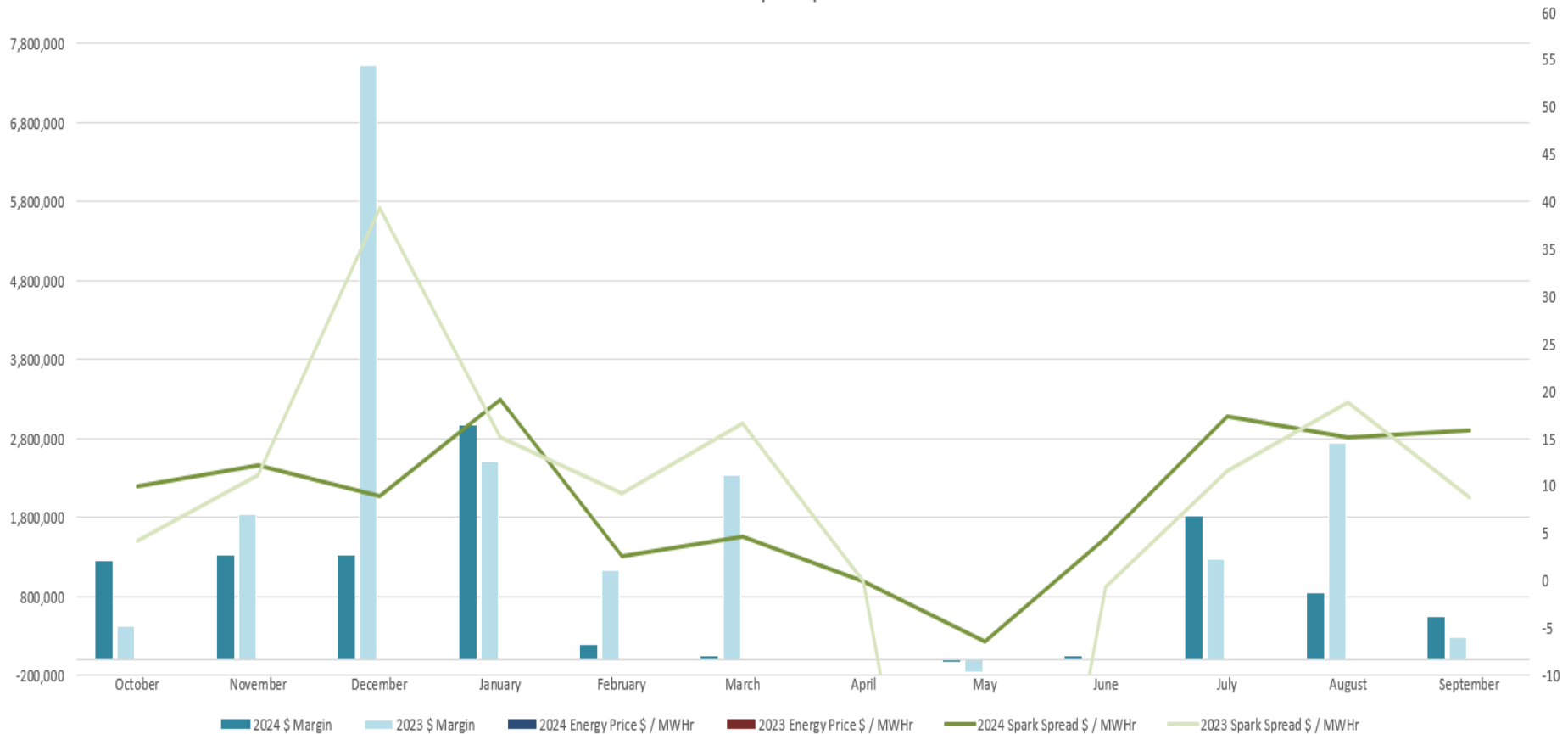
September 2024 Asset Report

		Most Recent		Above / (below)	Percent Difference	
	Actual	Forecast	Budget	Forecast	Above / (below)	
Revenue	2,429,142	16,545,517	12,698,454	(14,116,375)	-85%	Energy Sales lower by 86% vs. Forecast CF lower by 74% vs Forecast
VOM	1,803,660	9,424,485	9,876,273	(7,620,825)	-81%	Avg Power Prices lower by 46% vs Forecast
Fixed	1,491,010	1,272,117	1,215,867	218,893	17%	Received Invoice for T3K DCS & Cooling Tower Fill Order/ Install
Projects	320,767	311,333	280,333	9,434	3%	
A&G	264,976	264,873	264,873	103	0%	
Debt	2,168,156	2,168,156	2,168,156	(0)	0.00%	
Net Cost	(3,619,427)	3,104,553	(1,107,048)	(6,723,980)	-217%	
Net Annual Cost		(29,142,256)	(44,498,594)	\$15,356,338		
				Below budget by 34.51%		

Historical Margins



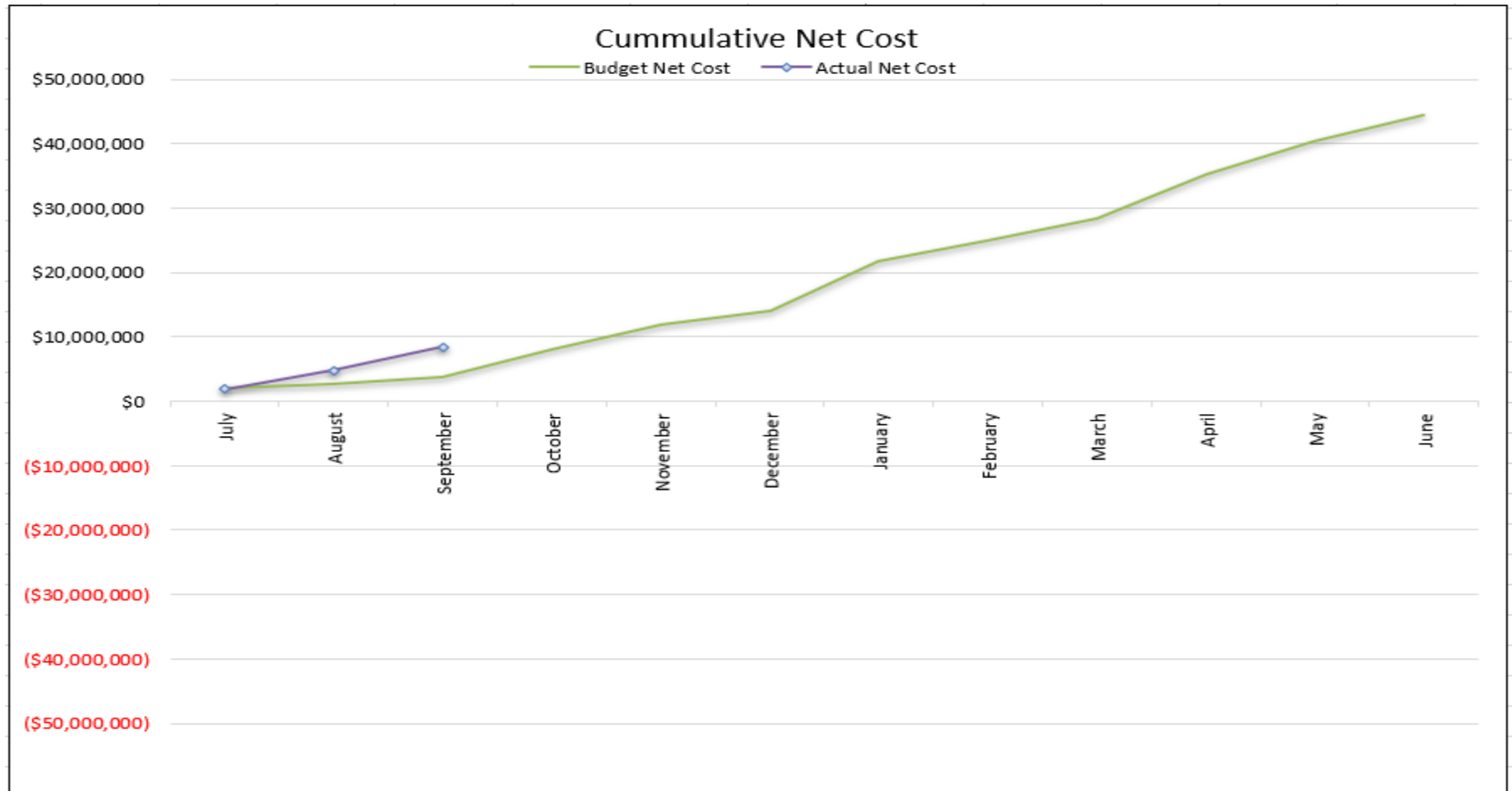
Historical Monthly Comparison



* Spark Spread on Sept 2023 @ \$8.80 \$/MWhr vs. Sept 2024 @ \$15.87 \$/MWhr

* Spark Spread delta higher from Sept 2023 vs Sept 2024 @ \$7.07 \$/MWhr

* Margin comparison from Sept 2023 \$281,358 vs Sept 2024 \$544,177



** On the cumulative chart, (historical asset reports), September was a soft revenue month when compared to previous years. Actual Net Cost \$8,460,777 vs Budget Net Cost \$3,773,469.



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LEC Treasurer's Report

AGENDA ITEM NO.: 8

Date: November 4, 2024
To: LEC Project Participant Committee
Subject: Treasurer's Report for the Month Ended September 30, 2024

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 \$245.

Investments - The carrying value of the LEC's investment portfolio totaled \$37,299,569 at month end. The current market value of the portfolio totaled \$36,768,682.

The overall portfolio had a combined weighted average interest rate of 3.366% with a bond equivalent yield (yield to maturity) of 3.391%. Investments with a maturity greater than one year totaled \$16,069,000. During the month \$4,457,712 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 decreased 53 basis points from 5.22% to 4.69% and rates on one year T-Bills decreased 46 basis points from 4.37% to 3.91%.

To the best of my knowledge and belief, all securities held by LEC as of September 30, 2024 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

SEPTEMBER 30, 2024

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LIQUIDITY AND INVESTMENT MATURITIES ANALYSIS	5
DETAIL REPORT OF INVESTMENTS	APPENDIX

Northern California Power Agency/Lodi Energy Center
Treasurer's Report
Cash & Investment Balance
September 30, 2024

	CASH	INVESTMENTS	TOTAL	PERCENT	INVESTMENTS at MARKET
MANDATORY FUNDS					
Debt Service Account	\$ 245	\$ 8,715,777	\$ 8,716,022	23.37%	\$ 8,719,972
Debt Service Reserve	-	11,538,248	11,538,248	30.93%	11,393,974
O & M Reserve	-	16,910,659	16,910,659	45.34%	16,519,851
	245	37,164,684	37,164,929	99.64%	36,633,797
ADDITIONAL PROJECT FUNDS					
GHG Cash Account	-	134,885	134,885	0.36%	134,885
Participant Deposit Account	-	-	-	-	-
	\$ 245	\$ 37,299,569	\$ 37,299,814	100.00%	\$ 36,768,682

NOTE A -Investment amounts shown at book carrying value.

Northern California Power Agency/Lodi Energy Center
Treasurer's Report
Cash Activity Summary
September 30, 2024

	RECEIPTS			EXPENDITURES			CASH
	OPS/CONSTR	INTEREST (NOTE B)	INVESTMENTS (NOTE A)	OPS/CONSTR	INVESTMENTS (NOTE B)	INTER-COMPANY/ FUND TRANSFERS	INCREASE / (DECREASE)
MANDATORY FUNDS							
Debt Service Account	\$ -	\$ -	\$ -	\$ -	\$ (2,165,955)	\$ 2,165,925	\$ (30)
Debt Service Reserve	-	19,553	20,000	-	(39,553)	-	-
O & M Reserve	-	71,839	2,050,000	-	(2,251,622)	129,783	-
	-	91,392	2,070,000	-	(4,457,130)	2,295,708	(30)
ADDITIONAL PROJECT FUNDS							
GHG Cash Account	-	582	-	-	(582)	-	-
Participant Deposit Account	-	-	-	-	-	-	-
TOTAL	\$ -	\$ 91,974	\$ 2,070,000	\$ -	\$ (4,457,712)	\$ 2,295,708	\$ (30)

NOTE A -Investment amounts shown at book carrying value.

NOTE B -Net of accrued interest purchased on investments.

Northern California Power Agency/Lodi Energy Center
Treasurer's Report
Investment Activity Summary
September 30, 2024

			(NON-CASH)	(NON-CASH)	INVESTMENTS	
	PURCHASED	SOLD OR MATURED	DISC/(PREM) AMORT	GAIN/(LOSS) ON SALE	TRANSFERS	INCREASE / (DECREASE)
MANDATORY FUNDS						
Debt Service Account	\$ 2,165,955	\$ -	\$ 27,963	\$ -	\$ -	\$ 2,193,918
Debt Service Reserve	39,553	(20,000)	12,758	-	-	32,311
O & M Reserve	2,251,622	(2,050,000)	(127)	-	-	201,495
	<u>4,457,130</u>	<u>(2,070,000)</u>	<u>40,594</u>	<u>-</u>	<u>-</u>	<u>2,427,724</u>
ADDITIONAL PROJECT FUNDS						
GHG Cash Account	582	-	-	-	-	582
Participant Deposit Acct.	-	-	-	-	-	-
TOTAL	<u>\$ 4,457,712</u>	<u>\$ (2,070,000)</u>	<u>\$ 40,594</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,428,306</u>

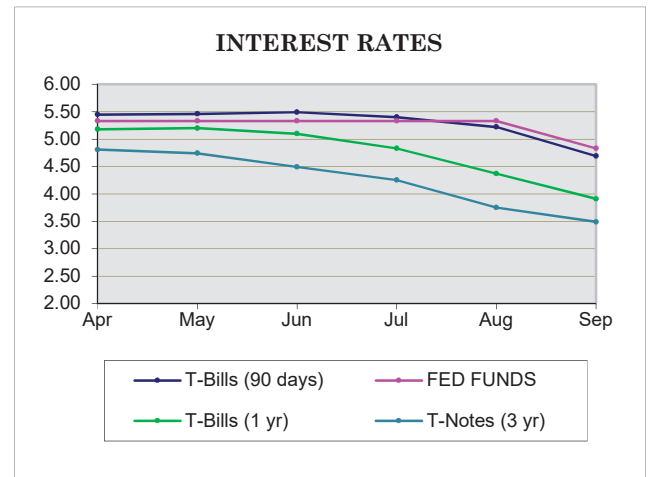
Less Non- Cash Activity	
Disc/(Prem) Amortization & Gain/(Loss) on Sale	(40,594)
Net Change in Investment --Before Non-Cash Activity	<u>\$ 2,387,712</u>

NOTE A -Investment amounts shown at book carrying value.

Northern California Power Agency/Lodi Energy Center
Interest Rate/Yield Analysis
September 30, 2024

	<u>WEIGHTED AVERAGE INTEREST RATE</u>	<u>BOND EQUIVALENT YIELD</u>
OVERALL COMBINED	<u>3.366%</u>	<u>3.391%</u>
Debt Service Account	4.908%	5.054%
Debt Service Reserve	3.149%	3.114%
O & M Reserve	2.702%	2.708%
GHG Cash Account	5.430%	5.430%

<u>KEY INTEREST RATES</u>		
	<u>CURRENT</u>	<u>PRIOR YEAR</u>
Fed Funds (Overnight)	4.83%	5.33%
T-Bills (90da.)	4.69%	5.57%
Agency Disc (90da.)	4.50%	5.38%
T-Bills (1yr.)	3.91%	5.46%
Agency Disc (1yr.)	4.00%	5.29%
T-Notes (3yr.)	3.49%	4.84%



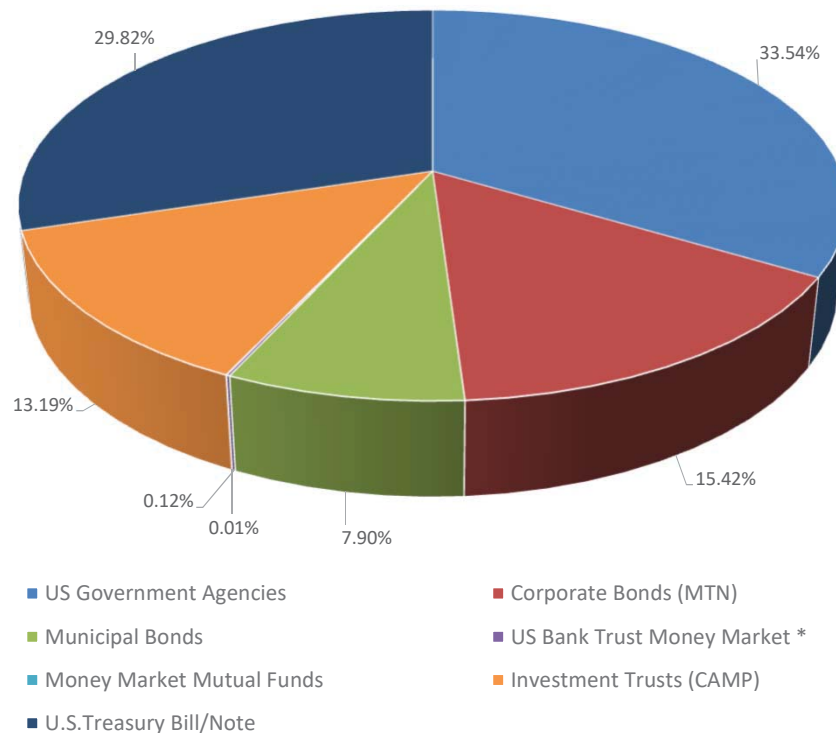
Northern California Power Agency/Lodi Energy Center
Total Portfolio
Liquidity and Investment Maturities Analysis
September 30, 2024

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	\$ -	\$ 4,409	\$ -	\$ -	\$ 3,420	\$ 4,721	\$ -	\$ 12,550	33.54%
Corporate Bonds (MTN)	-	465	-	-	-	5,304	-	5,769	15.42%
Municipal Bonds	-	-	-	-	500	2,455	-	2,955	7.90%
US Bank Trust Money Market *	45	-	-	-	-	-	-	45	0.12%
Money Market Mutual Funds	4	-	-	-	-	-	-	4	0.01%
Investment Trusts (CAMP)	4,936	-	-	-	-	-	-	4,936	13.19%
U.S.Treasury Bill/Note	-	7,568	-	-	-	3,589	-	11,157	29.82%
Total Dollars	\$ 4,985	\$ 12,442	\$ -	\$ -	\$ 3,920	\$ 16,069	\$ -	\$ 37,416	100.00%
Total Percents	13.32%	33.25%	0.00%	0.00%	10.48%	42.95%	0.00%	100.00%	

Investments are shown at Face Value, in thousands.

* Uninvested debt service balances at U.S. Bank Global Trust and Custody are swept into U.S. Bank unrated money market demand deposit investment products.

Portfolio Composition



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
09/30/2024



LEC Issue #1 2010B 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	427	0.010		427		1	0.010	427	SYS79004	79004	427
Federal Home Loan Ba	USBT	674,000	5.120	06/27/2024	659,142	11/29/2024	59	5.308	668,925	313384R43	27779	668,344
U.S. Treasury	USBT	731,000	4.924	08/28/2024	721,700	11/29/2024	59	5.057	725,379	912797HP5	27804	725,100
U.S. Treasury	USBT	726,000	4.540	09/30/2024	720,507	11/29/2024	59	4.638	720,417	912797HP5	27814	720,598
Federal Home Loan Ba	USBT	796,000	5.050	07/29/2024	781,931	12/02/2024	62	5.212	788,799	313384R76	27789	788,077
Fund Total and Average		\$ 2,927,427	4.908		\$ 2,883,707		60	5.052	\$ 2,904,947			\$ 2,903,546

LEC Issue #2 2010B DS Fund

US Bank Trust	USB	993	0.010		993		1	0.010	993	SYS79012	79012	993
Federal Home Loan Ba	USBT	787,000	5.120	06/27/2024	769,651	11/29/2024	59	5.308	781,074	313384R43	27780	780,396
U.S. Treasury	USBT	788,000	4.925	08/28/2024	777,974	11/29/2024	59	5.057	781,940	912797HP5	27805	781,640
U.S. Treasury	USBT	784,000	4.540	09/30/2024	778,068	11/29/2024	59	4.638	777,971	912797HP5	27815	778,167
Federal Home Loan Ba	USBT	792,000	5.050	07/29/2024	778,001	12/02/2024	62	5.212	785,830	313384R76	27790	785,112
Fund Total and Average		\$ 3,151,993	4.908		\$ 3,104,687		60	5.053	\$ 3,127,808			\$ 3,126,308

LEC Issue#1 2017A DS Fund

Federal Home Loan Ba	USBT	681,000	5.120	06/27/2024	665,988	11/29/2024	59	5.308	675,872	313384R43	27781	675,286
U.S. Treasury	USBT	676,000	4.924	08/28/2024	667,399	11/29/2024	59	5.057	670,802	912797HP5	27806	670,544
U.S. Treasury	USBT	672,000	4.540	09/30/2024	666,915	11/29/2024	59	4.638	666,832	912797HP5	27816	667,000
Federal Home Loan Ba	USBT	679,000	5.050	07/29/2024	666,999	12/02/2024	62	5.212	673,711	313384R76	27791	673,095
Fund Total and Average		\$ 2,708,000	4.910		\$ 2,667,301		60	5.055	\$ 2,687,217			\$ 2,685,925
GRAND TOTALS:		\$ 8,787,420	4.908		\$ 8,655,695		60	5.054	\$ 8,719,972			\$ 8,715,779

*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 09/30/2024



Northern California Power Agency
Treasurer's Report

09/30/2024

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	42,912	0.010		42,912		1	0.010	42,912	SYS79005	79005	42,912
U.S. Treasury	USBT	38,000	5.100	06/27/2024	37,166	11/29/2024	59	5.286	37,708	912797HP5	27782	37,682
Federal Farm Credit	USBT	4,430,000	0.840	03/02/2021	4,430,000	03/02/2026	517	0.840	4,251,825	3133EMSK9	27199	4,430,000
Federal Home Loan Ba	USBT	150,000	0.875	08/27/2021	150,528	06/12/2026	619	0.799	143,088	3130AN4T4	27270	150,187
U.S. Treasury	USBT	3,589,000	4.375	01/03/2024	3,618,020	12/15/2026	805	4.080	3,645,922	91282CJP7	27700	3,610,691
Federal Home Loan Ba	USBT	120,000	4.000	07/28/2023	118,496	06/30/2028	1,368	4.285	121,740	3130AWN63	27624	118,855
U.S. Treasury	USBT	21,000	4.375	09/28/2023	20,785	08/31/2028	1,430	4.608	21,606	91282CHX2	27647	20,829
Fund Total and Average		\$ 8,390,912	2.426		\$ 8,417,907		652	2.304	\$ 8,264,801			\$ 8,411,156

LEC Iss#1 2010B BABS Subs Resv

US Bank Trust	USB	158	0.010		158		1	0.010	158	SYS79006	79006	158
U.S. Treasury	USBT	2,315,000	5.095	06/13/2024	2,259,629	11/29/2024	59	5.292	2,297,198	912797HP5	27774	2,295,669
Fund Total and Average		\$ 2,315,158	5.095		\$ 2,259,787		59	5.292	\$ 2,297,356			\$ 2,295,827

LEC Issue #2 2010B DSR BABS

US Bank Trust	USB	261	0.010		261		1	0.010	261	SYS79013	79013	261
U.S. Treasury	USBT	838,000	5.095	06/13/2024	817,957	11/29/2024	59	5.292	831,556	912797HP5	27775	831,003
Fund Total and Average		\$ 838,261	5.093		\$ 818,218		59	5.291	\$ 831,817			\$ 831,264
GRAND TOTALS:		\$ 11,544,331	3.149		\$ 11,495,912		491	3.114	\$ 11,393,974.			\$ 11,538,247

*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 09/30/2024

Callable Dates:

27199 FFCB Anytime



Northern California Power Agency
Treasurer's Report

09/30/2024

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
First American Govt.	USBGC	3,763	5.180		3,763		1	5.180	3,763	SYS70041	70041	3,763
California Asset Mgm	CMP	4,800,610	5.430	09/09/2022	4,800,610		1	5.430	4,800,610	SYS70075	70075	4,800,610
Local Agency Investm		0	3.590	07/01/2024	0		1	3.590	0	SYS70047	70047	0
Caterpillar Financia	USBGC	465,000	3.250	02/03/2020	496,569	12/01/2024	61	1.776	463,503	14912L6G1	26952	466,090
Nashville Met Gov	USBGC	350,000	0.610	09/18/2023	350,000	07/01/2025	273	0.609	340,792	592112XC5	27645	350,000
Nashville Met Gov	USBGC	150,000	0.610	09/18/2023	150,000	07/01/2025	273	0.609	145,809	592112XA9	27646	150,000
Federal National Mtg	USBGC	1,000,000	0.600	07/30/2020	1,001,000	07/29/2025	301	0.579	970,150	3136G4D75	27047	1,000,166
Federal National Mtg	USBGC	1,000,000	0.600	08/18/2020	1,000,000	08/18/2025	321	0.600	988,300	3136G4G72	27057	1,000,000
Federal Farm Credit	USBGC	750,000	0.530	09/29/2020	750,000	09/29/2025	363	0.530	724,530	3133EMB4	27083	750,000
Federal Farm Credit	USBGC	670,000	0.530	09/29/2020	670,000	09/29/2025	363	0.530	649,076	3133EMB4	27084	670,000
Apple Inc.	USBGC	500,000	0.700	02/17/2021	500,000	02/08/2026	495	0.699	479,330	037833EB2	27170	500,000
JP Morgan	USBGC	500,000	1.200	04/30/2021	500,000	04/30/2026	576	1.200	476,235	48128G3G3	27222	500,000
MassMutual Global Fu	USBGC	1,000,000	1.200	08/02/2021	1,007,220	07/16/2026	653	1.050	950,290	57629WDE7	27250	1,002,610
Bank of America Corp	USBGC	100,000	1.250	08/26/2021	100,000	08/26/2026	694	1.250	92,916	06048WN22	27259	100,000
Caterpillar Financia	USBGC	500,000	1.150	10/13/2021	498,165	09/14/2026	713	1.227	474,315	14913R2Q9	27290	499,272
TSMC Arizona Corp.	USBGC	850,000	1.750	12/08/2021	857,242	10/25/2026	754	1.567	808,036	872898AA9	27335	853,067
Public Storage	USBGC	515,000	1.500	11/15/2021	515,242	11/09/2026	769	1.490	488,807	74460DAG4	27310	515,102
Public Storage	USBGC	1,064,000	1.500	12/08/2021	1,065,234	11/09/2026	769	1.475	1,009,885	74460DAG4	27341	1,064,528
City of Beverly Hill	USBGC	200,000	1.327	06/28/2022	179,194	06/01/2027	973	3.654	187,074	088006KB6	27424	188,734
Mercedes-Benz Fin. N	USBGC	275,000	3.750	06/26/2023	260,832	02/22/2028	1,239	5.003	270,622	233851DF8	27609	264,678
Bay Area Toll Author	USBGC	500,000	1.869	09/23/2024	461,155	04/01/2029	1,643	3.752	458,095	072024XF4	27809	461,346
Oregon Education Dis	USBGC	660,000	1.707	09/23/2024	602,184	06/30/2029	1,733	3.728	596,356	68587FAZ7	27811	602,453
California State Gen	USBGC	1,095,000	5.125	09/24/2024	1,168,529	09/01/2029	1,796	3.626	1,161,357	13063EBP0	27810	1,168,240
Fund Total and Average		\$ 16,948,373	2.702		\$ 16,936,939		544	2.708	\$ 16,519,851			\$ 16,910,659
GRAND TOTALS:		\$ 16,948,373	2.702		\$ 16,936,939		544	2.708	\$ 16,519,851.			\$ 16,910,659

*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 09/30/2024

Callable Dates:

27047	FHLMC	Quarterly
27057	FNMA	Quarterly
27083	FFCB	Anytime
27084	FFCB	Anytime
27170	APPL	Anytime starting 1/8/2026
27222	JPM	Annually
27259	BAC	Semi-annually
27809	BAYTRN	Anytime

Northern California Power Agency
Treasurer's Report
09/30/2024

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
California Asset Mgm	CMP	134,885	5.430	09/13/2022	134,885		1	5.430	134,885	SYS70077	70077	134,885
Local Agency Investm		0	3.590	07/01/2024	0	1	3.590	0	SYS70046	70046	0	
Fund Total and Average		\$ 134,885	5.430		\$ 134,885		1	5.430	\$ 134,885			\$ 134,885
GRAND TOTALS:		\$ 134,885	5.430		\$ 134,885		1	5.430	\$ 134,885.			\$ 134,885

*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 09/30/2024





Lodi Energy Center Project Participant Committee

LEC Financial Reports

AGENDA ITEM NO.: 9

Date: November 4, 2024

To: Lodi Energy Center Project Participant Committee

Subject: September 30, 2024 Financial Reports (Unaudited)

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

	September	
	2024	2023
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 134,885	\$ 168,226
Interest receivable	40,805	33,281
Inventory and supplies - at average cost	2,933,823	2,351,179
Prepaid insurance	306,526	283,178
Due from (to) Agency, net	21,694,021	29,978,967
TOTAL CURRENT ASSETS	25,110,060	32,814,831
RESTRICTED ASSETS		
Cash and cash equivalents	7,015,131	5,686,129
Investments	30,149,797	31,293,383
Interest receivable	50,940	65,891
TOTAL RESTRICTED ASSETS	37,215,868	37,045,403
ELECTRIC PLANT		
Electric plant in service	447,698,040	447,506,790
Less: accumulated depreciation	(157,290,123)	(142,522,642)
TOTAL ELECTRIC PLANT	290,407,917	304,984,148
OTHER ASSETS		
Regulatory assets	27,798,031	28,905,222
TOTAL OTHER ASSETS	27,798,031	28,905,222
TOTAL ASSETS	380,531,876	403,749,604
DEFERRED OUTFLOWS OF RESOURCES		
Unamortized excess cost on advance refunding of debt, net	130,675	432,675
Asset retirement obligations	207,832	200,335
TOTAL DEFERRED OUTFLOWS OF RESOURCES	338,507	633,010
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 380,870,383	\$ 404,382,614

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

		September	
		2024	2023
LIABILITIES & NET POSITION			
CURRENT LIABILITIES			
Accounts and retentions payable	\$	878,010	\$ 991,872
Operating reserves		22,441,412	18,706,228
Current portion of long-term debt		14,656,591	14,239,000
Accrued interest payable		4,038,013	4,126,327
TOTAL CURRENT LIABILITIES		42,014,026	38,063,427
NON-CURRENT LIABILITIES			
Operating reserves and other deposits		133,252	165,932
Asset retirement obligations		207,832	200,335
Long-term debt, net		287,053,174	301,709,764
TOTAL NON-CURRENT LIABILITIES		287,394,258	302,076,031
TOTAL LIABILITIES		329,408,284	340,139,458
DEFERRED INFLOWS OF RESOURCES			
Regulatory credits		36,789,378	37,180,428
NET POSITION			
Invested in capital assets, net of related debt		(2,150,383)	2,526,556
Restricted		8,399,479	4,704,979
Unrestricted		8,423,625	19,831,193
TOTAL NET POSITION		14,672,721	27,062,728
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$	380,870,383	\$ 404,382,614

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

		Three Months Ended September	
		2024	2023
SALES FOR RESALE			
Participants	\$	18,023,160	\$ 25,587,377
Other		13,234,283	20,385,023
TOTAL SALES FOR RESALE		31,257,443	45,972,400
OPERATING EXPENSES			
Operations		10,009,585	15,607,942
Depreciation & amortization		3,540,225	3,538,511
Purchased power		946,881	706,848
Maintenance		1,466,936	1,334,936
Administrative and general		2,132,859	1,902,854
Transmission		114,907	207,025
Intercompany (sales) purchases		126,334	98,209
TOTAL OPERATING EXPENSES		18,337,727	23,396,325
NET OPERATING REVENUES		12,919,716	22,576,075
OTHER REVENUES (EXPENSES)			
Interest expense		(3,025,212)	(3,168,373)
Interest income		1,363,894	1,907,673
Other		930,857	1,369,985
TOTAL OTHER REVENUES (EXPENSES)		(730,461)	109,285
FUTURE RECOVERABLE AMOUNTS		(386,551)	(237,093)
INCREASE IN NET POSITION		11,802,704	22,448,267
NET POSITION			
Beginning of year		2,870,017	4,614,461
	\$	14,672,721	\$ 27,062,728

**Lodi Energy Center
FY 2025 Operating Costs
As of September 30, 2024**

	Annual Budget	Actual	Remaining	YTD % Remaining	Notes
Variable Costs					
Variable	\$ 5,616,489	\$ 541,417	\$ 5,075,072	90%	A
Fuel & LDC Costs	77,589,905	5,913,082	71,676,823	92%	
GHG Allowance Costs	18,130,063	1,741,509	16,388,554	90%	
CA ISO Charges	675,952	114,907	561,045	83%	
CA ISO Energy Purchases	2,876,697	946,881	1,929,816	67%	
Total Variable Costs	104,889,106	9,257,796	95,631,310	91%	
Routine O&M Costs					
Fixed O&M	3,587,692	1,183,185	2,404,507	67%	B
Administration	188,345	15,108	173,237	92%	
Mandatory Costs	386,269	229,360	156,909	41%	C
Inventory Stock	450,000	186,320	263,680	59%	
Routine O&M Costs without Labor	4,612,306	1,613,973	2,998,333	65%	D
Labor	6,650,919	1,430,920	5,219,999	78%	
Total Routine O&M Cost	11,263,225	3,044,893	8,218,332	73%	
Other Plant Costs					
Debt Service	26,017,868	6,504,467	19,513,401	75%	
Insurance	1,849,532	462,383	1,387,149	75%	
Other Costs	196,244	30,080	166,164	85%	
Generation Services Shared	504,061	126,334	377,727	75%	
Administrative & General (Allocated)	2,674,401	662,188	2,012,213	75%	
Power Management Allocated Costs	1,912,958	478,240	1,434,718	75%	
Total Other Plant Costs	33,155,064	8,263,692	24,891,372	75%	
Total O&M Costs	149,307,395	20,566,381	128,741,014	86%	
Projects					
Operations & Maintenance	1,746,778	349,959	1,396,819	80%	
Capital	6,341,666	-	6,341,666	100%	
Maintenance Reserve	2,769,390	692,348	2,077,042	75%	
Total Projects	10,857,834	1,042,307	9,815,527	90%	
Annual Cost	160,165,229	21,608,688	138,556,541	87%	
Less: Third Party Revenue					
Interest Income	250,000	248,831	1,169	0%	
ISO Energy Sales	113,367,408	12,806,312	100,561,096	89%	
Ancillary Services Sales	2,049,227	427,971	1,621,256	79%	
Other Income	-	870	(870)	0%	
	115,666,635	13,483,984	102,182,651	88%	
Net Annual Cost to Participants (without GHG Transfer Credits)	44,498,594	8,124,704	36,373,890		
GHG Allowance Credits	17,646,370	1,590,309	16,056,061	91%	
Net Annual Cost to Participants (with GHG Transfer Credits)	\$ 26,852,224	\$ 6,534,395	\$ 20,317,829	76%	
Total Variable Costs	104,889,106	9,257,796	95,631,310		
Total Fixed Costs	55,276,123	12,350,892	42,925,231		
	\$ 160,165,229	\$ 21,608,688	\$ 138,556,541		
Net Cumulative Generation (MWh)	1,626,895	194,324			
Total O&M Cost Per MWh	\$ 91.77	\$ 105.84			
Net Annual Cost Per MWh	\$ 16.51	\$ 33.63			
Net Annual Cost Per KW Month	\$ 7.41	\$ 1.80			

Footnotes:

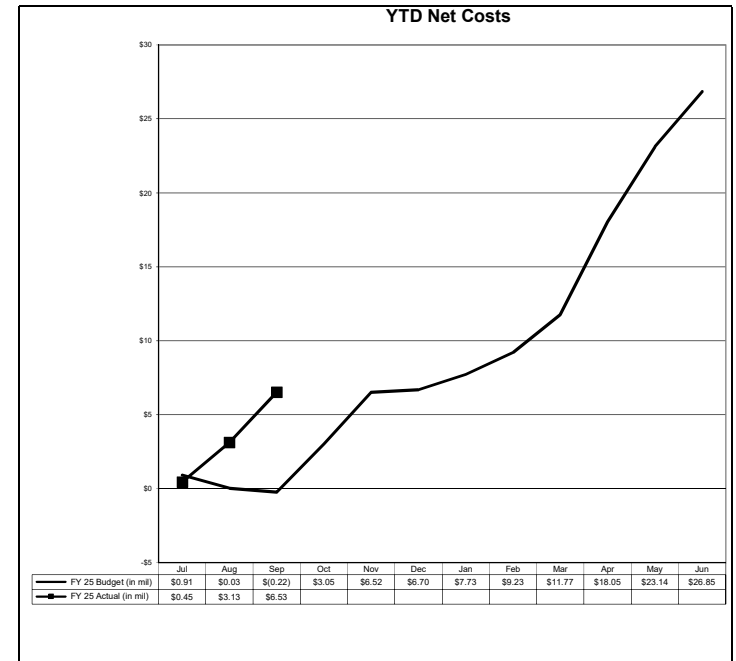
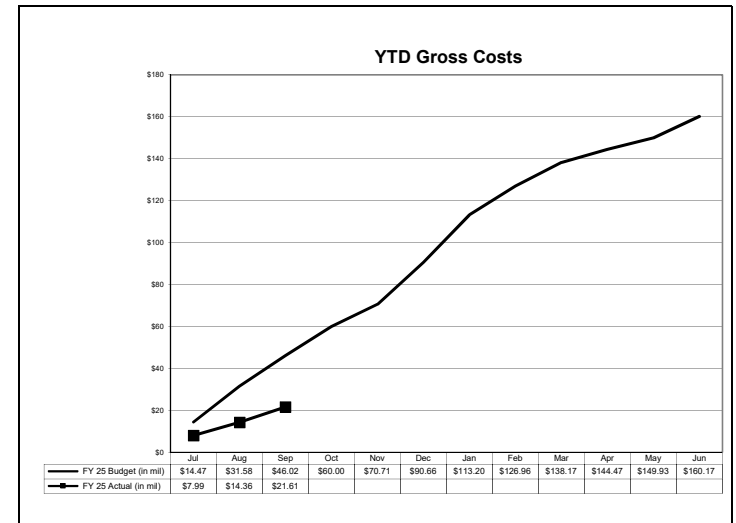
General - The plant ran 9 out of 30 days during the month due to economics.

A - Higher CAISO costs due to higher prices for settlement charges during the period.

B - Quarterly charges for fixed LTSA contract. Costs are expected to levelize during the year.

C - Expenditure for annual permit fees to Air Resources Board. Costs are expected to levelize during the year.

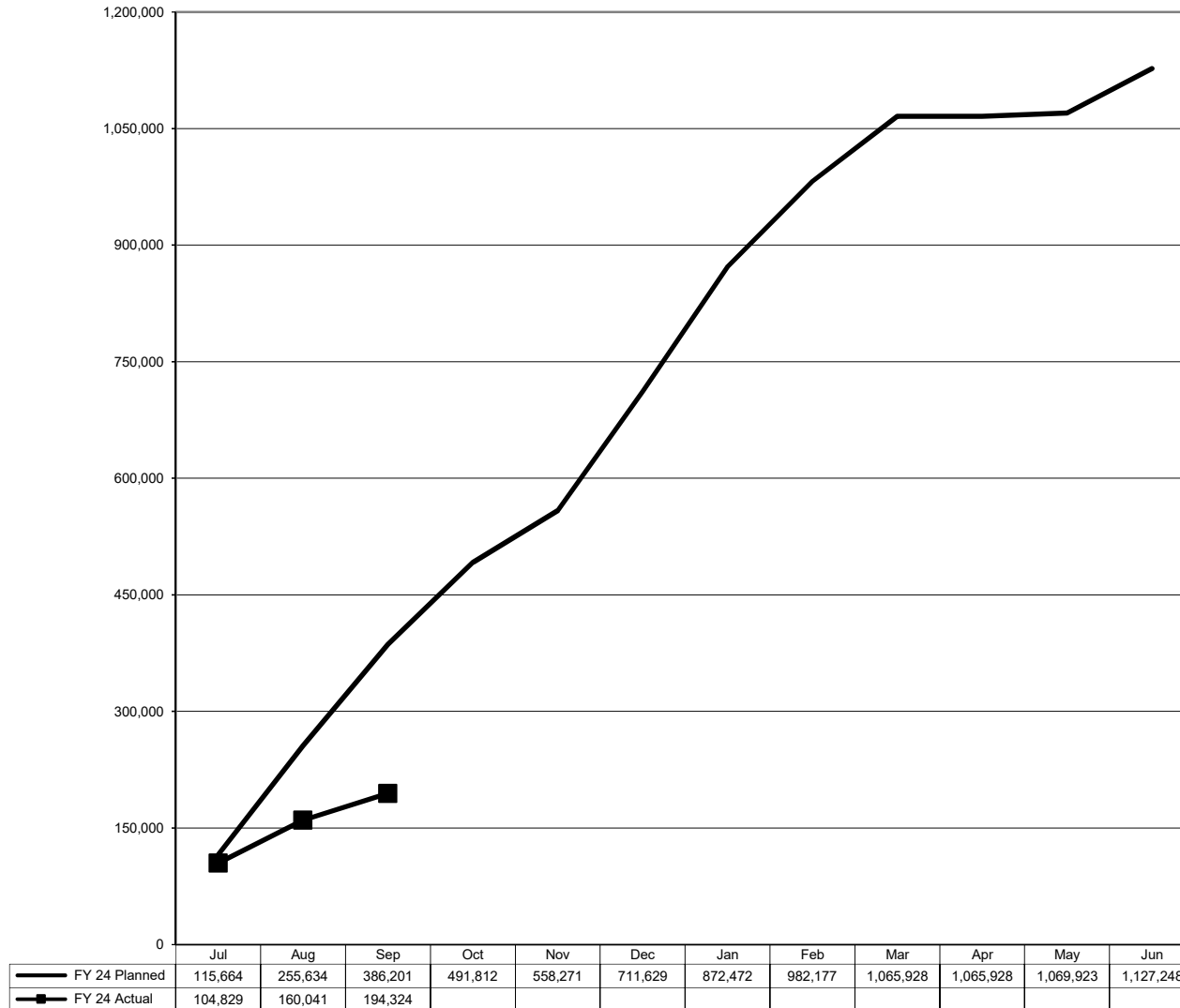
D - Expenditure for parts in preparation of annual maintenance. Costs are expected to levelize during the year.



**Annual Budget
LEC Generation Analysis
Planned vs. Actual
FY 2025**

In MWh

Lodi Energy Center





Lodi Energy Center Project Participant Committee

LEC GHG Reports

AGENDA ITEM NO.: 10

Date: November 4, 2024

To: Lodi Energy Center Project Participant Committee

Subject: GHG Reports (excerpted from monthly ARB)

[illegible]

	CY 2024 NCPA All Resources Bill LEC GHG Compliance Instrument Detail Report for Lodi Energy Center													
	Actual									Estimated			CY 2024	Cumulative
IDENTIFIER	January	February	March	April	May	June	July	August	September	October	November	December	Total	Total
Energy (MWh)	155,019	73,755	11,543	1,608	4,282	8,183	104,829	55,212	34,283	28,077	0	57,566	534,357	12,870,154
Gas Schedule (MMBtu)	1,076,706	519,176	82,361	20,954	33,351	60,696	778,877	412,027	247,943	217,880	0	446,714	3,896,685	92,530,468
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)	0	0	0	0	0	0	0	0	0	0	0	0	0	6,315
Monthly MT Obligation (MTO)	58,104	28,017	4,445	1,131	1,800	3,275	42,032	22,235	13,380	11,758	0	24,107	210,284	5,001,458
Annual Cal e-GGRT/MT Obligation True Up (MTO)	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cumulative MT Obligation (MTO)	1,326,057	1,354,074	1,358,519	1,359,650	1,361,450	1,364,725	1,406,757	1,428,992	1,442,372	1,454,130	1,454,130	1,478,237	1,478,237	1,478,237
Compliance Instrument Participant Transfers														
Carryover Allowances	10,000	0	0	0	0	0	0	0	0	0	0	0	10,000	109,263
Auction Allowances	939	294	0	0	0	0	1,067	2,008	80,875	0	0	0	85,183	5,187,703
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)	10,939	294	0	0	0	0	1,067	2,008	80,875	0	0	0	95,183	5,296,966
NCPA Compliance Instrument Purchases														
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
Offsets Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Compliance Instrument NCPA Purchases (MT)	0	0	0	0	0	0	0	0	0	0	0	0	0	47,000
Compliance Instruments Internal Transfers (LEC from/to STIG)	0	0	0	0	0	0	0	0	0	0	0	0	0	(678)
Compliance Instruments Surrendered to CARB (MT)	0	0	0	0	0	0	0	0	0	0	0	0	0	3,517,755
Total Monthly Activity (MT)	10,939	294	0	0	0	0	1,067	2,008	80,875	0	0	0	95,183	5,343,288
Cumulative MT Account Balance (MTA)	1,741,967	1,742,261	1,742,261	1,742,261	1,742,261	1,742,261	1,743,328	1,745,336	1,826,211	1,826,211	1,826,211	1,826,211	1,826,211	1,826,211
MTA Shortfall (MT)	(415,910)	(388,187)	(383,742)	(382,611)	(380,811)	(377,536)	(336,571)	(316,344)	(383,839)	(372,081)	(372,081)	(347,974)	(347,974)	(347,974)
Current Month CCA Balance (\$)	0	0	0	0	0	0	0	0	0	0	134,303	0	0	134,303
Monthly GHG Price	41.40	40.44	41.44	37.87	39.19	41.99	33.04	33.59	42.55	38.36	38.52	43.20		



Lodi Energy Center Project Participant Committee

Staff Report

AGENDA ITEM NO.: 11

Meeting Date: November 9, 2024

To: Lodi Energy Center Project Participant Committee

Subject: Approval of Updated Lodi Energy Center (LEC) Project Management and Operations Agreement Schedule 6.00 – Contact List

Proposal

Approval of revised Project Management and Operations Agreement (“PMOA”) Schedule 6.00 for requested updates to the City of Biggs representatives.

Background

NCPA and the LEC Project Participants executed the LEC PMOA, which became effective on August 1, 2010. The PMOA contains multiple Schedules which provide procedures, protocols, and guidelines regarding Project operations. Pursuant to the PMOA, Schedules may be revised, deleted or added from time to time based on then existing operating or market conditions, and subject to the approval of the Project Participant Committee (PPC). Certain Schedules also require approval by the NCPA Commission when such Schedules “...could be reasonably viewed as having an impact on other NCPA projects.” (PMOA, Article 10).

Staff is recommending changes to PMOA Schedule 6.00, “Contact List” which provides the contact information for each of the Project Participants. These changes will update the City of Biggs representatives and physical address. Schedule 6.00 does not require approval by the NCPA Commission.

Fiscal Impact

No significant costs will be incurred to implement the change to the PMOA Schedule 6.00 and funds are available in the Project Budget to support the work associated with this update.

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.

Recommendation

NCPA staff recommends that the PPC approve the requested revisions to LEC PMOA Schedule 6.00.

Submitted by:

MICHAEL DEBORTOLI
Assistant General Manager Generation Services

Attachments: (1)
PMOA Schedule 6.00 Contact List

Agreement Schedule 6.00

Contact List

Northern California Power Agency

Northern California Power Agency
Attn: Rafael Santana, Lodi Energy Center Manager
651 Commerce Drive
Roseville, California, 95678
Telephone: (209) 210-5000
Facsimile: (209) 333-5215
Email: rafael.santana@ncpa.com

With copies to:

Northern California Power Agency
Attn: Michael DeBortoli, Assistant General Manager – Generation Services
651 Commerce Drive
Roseville, California, 95678
Telephone: (916) 781-4201
Facsimile: (916) 783-7693
Email: michael.debortoli@ncpa.com

Northern California Power Agency
Attn: Tony Zimmer, Assistant General Manager – Power Management
651 Commerce Drive
Roseville, California, 95678
Telephone: (916) 781-4246
Facsimile: (916) 783-4252
Email: tony.zimmer@ncpa.com

City of Azusa

City of Azusa
Azusa Light & Water Department
Attn: Richard Torres, Interim Electric Utility Director
729 N. Azusa Avenue
P.O. Box 9500
Azusa, California 91702-9500
Telephone: (626) 812-5211
Facsimile: (626) 334-3163
Email: rtorres@azusaca.gov
Alternates: Tim Vuong (tvuong@azusaca.gov); Tikan Singh (tsingh@azusalw.com)

San Francisco Bay Area Rapid Transit District

San Francisco Bay Area Rapid Transit District
Attn: Yuliya Schmidt, Manager of Energy
2150 Webster Street, 8th Floor
Oakland, California 94612-3534
Telephone: (510) 287-4835
Facsimile: (510) 464-6118
Email: yuliya.schmidt@bart.gov
Alternates: Monica Meagher (mmeaghe@bart.gov)

Modesto Irrigation District

Modesto Irrigation District
Attn: James McFall
P.O. Box 4060
1231 Eleventh Street
Modesto, California 95352
Telephone: (209) 526-1521
Facsimile: (209) 526-7575
Email: jamesm@mid.org
Alternates: None.

California Department of Water Resources:

Department of Water Resources
Attention: Jorge Quintero, Assistant Division Manager (Power Operations)
1425 River Park Drive, Suite 300
Sacramento, CA 95815
Telephone: (916) 902-7233
Facsimile: N/A
Email: Jorge.quintero@water.ca.gov
Alternates: Keith Louie (keith.louie@water.ca.gov); Deane Burk (deane.burk@water.ca.gov); Cheryl Luu (Cheryl.luu@water.ca.gov)

Plumas-Sierra Rural Electric Cooperative

Plumas-Sierra REC
Attn: Bob Marshall, General Manager
73233 Highway 70
Portola, California 96122-7064
Telephone: (530) 832-4261
Facsimile: (530) 832-6070
Email: marshall@psln.com
Alternates: Mike Brozo (mbrozo@psrec.coop); Bill Newberg (bill.newberg@psrec.coop)

City of Biggs

City of Biggs

Attn: ~~Josh Cook~~ James T. "Bo" Sheppard, ~~City Administrator~~ Council Member
~~465 "C" Street~~

~~P.O. Box 30730~~ 16 Sixth Street

Biggs, California 95917-0307

Telephone: (530) ~~868370-0100~~ 4133

Facsimile: (530) 868-5239

Email: jcook@biggs-ca.gov

Alternates: ~~Dennis Schmidt~~ Josh Cook (~~dennis.schmidt@biggs-ca.gov~~ jcook@biggs-ca.gov)

City of Gridley

City of Gridley

Attn: Jake Carter, Electric Utility Director

685 Kentucky Street

Gridley, California 95948-2117

Telephone: (530) 846-3631

Facsimile: (530) 846-3229

Email: jcarter@gridley.ca.us

Alternates: Elisa Arteaga (eartega@gridley.ca.us); Ross Pippit (rpippitt@gridley.ca.us)

City of Healdsburg

City of Healdsburg

Attn: Terry Crowley, Electric Utility Director

401 Grove Street

Healdsburg, California 95448

Telephone: (707) 431-3340

Facsimile: (707) 431-2710

Email: tcrowley@ci.healdsburg.ca.us

Alternates: None.

City of Lodi

City of Lodi

Attn: Melissa Price, Rates & Resources Manager

1331 S. Ham Lane

Lodi, California 95242

Telephone: (209) 333-6811 or (209) 639-1543

Facsimile: (209) 333-6839

Email: mprice@lodi.gov

Alternates: Stephen Schwabauer (sschwabauer@lodi.gov); Jiayo Chiang (jchiang@lodi.gov);
Jeff Berkheimer (jberkheimer@lodi.gov)

City of Lompoc

City of Lompoc
Attn: Brad Wilkie, Utility Director
100 Civic Center Plaza

Lompoc, California 93436-6916

Telephone: (805) 875-8299

Facsimile: (805) 736-5347

Email: b_wilkie@ci.lompoc.ca.us

Alternates: Robert "Bob" Cross (r_cross@ci.lompoc.ca.us)

Silicon Valley Power

Silicon Valley Power
Attn: Steve Hance, Senior Electric Division Manager
1500 Warburton Avenue

Santa Clara, California 95050

Telephone: (408) 615-6691

Facsimile: (408) 249-0217

Email: shance@svpower.com

Alternates: Ann Hatcher (ahatcher@santaclaraca.gov); Kathleen Hughes
(khughes@santaclaraca.gov); Paulo Apolinario (papolinario@santaclaraca.gov); Basil Wong
(bwong@santaclaraca.gov); Saul Lopez (slopez@santaclaraca.gov)

City of Ukiah

City of Ukiah
Attn: Cindy Sauers, Utility Director
300 Seminary Avenue
Ukiah, California 95482

Telephone: (707) 463-6286 or (707) 972-7695

Facsimile: (707) 463-6740

Email: csauers@cityofukiah.com

Alternates: None.

Power and Water Resources Pooling Authority

Power and Water Resources Pooling Authority
Attn: Bruce McLaughlin
Cameron – Daniel, PC950 Reserve Drive, Suite 160
Roseville, CA 95678

Telephone: (916) 531-5566 (direct)

Email: bcm@cameron-daniel.com

Alternates: Bruce McLaughlin (bcm@cameron-daniel.com); David Ansolabehere (dansolabehere@cawelofd.org)



Lodi Energy Center Project Participant Committee Staff Report

AGENDA ITEM NO.: 12

Meeting Date: November 4, 2024

To: Lodi Energy Center Project Participant Committee

Subject: Kinectrics AES, Inc. – Five Year Multi-Task Professional Services Agreement; Applicable to the following projects: All Northern California Power Agency (NCPA) Facilities, NCPA Members, Southern California Public Power Authority (SCPPA), and SCPPA Members.

Proposal

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

Background

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

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

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

Selection Process

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

Fiscal Impact

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

Environmental Analysis

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

Submitted by:

Michael DeBortoli
Assistant General Manager
Generation Services

Attachments: (2)

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



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

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

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

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

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

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

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

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

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

Invoices shall be sent to:

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

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

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

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

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

4.2 Commercial General and Automobile Liability Insurance.

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

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

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

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

4.4 All Policies Requirements.

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

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

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

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

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

Section 5. INDEMNIFICATION AND CONSULTANT'S RESPONSIBILITIES.

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

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

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

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

Section 6. STATUS OF CONSULTANT.

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

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

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

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

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

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

Section 7. LEGAL REQUIREMENTS.

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

Section 8. TERMINATION AND MODIFICATION.

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

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

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

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

Section 9. KEEPING AND STATUS OF RECORDS.

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

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

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

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

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

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

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

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

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

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

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

Section 10. MISCELLANEOUS PROVISIONS.

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

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

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

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

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

Any written notice to Agency shall be sent to:

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

With a copy to:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SIGNATURES ON FOLLOWING PAGE

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

NORTHERN CALIFORNIA POWER AGENCY

Date 6/6/22



RANDY S. HOWARD, General Manager

KINETRICS AES INC.

Date 2022/05/17



**SHAHROKH ZANGENEH,
Chief Commercial Officer**

Attest:



Assistant Secretary of the Commission

Approved as to Form:



Jane E. Luckhardt, General Counsel

EXHIBIT A

SCOPE OF SERVICES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

VII. **Stator Winding Resistance**

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

VIII. **Stator AC Overvoltage Withstand Test**

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

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

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

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

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

XI. **Additional Generator Tests;**

1. **Stator Slot Wedge Tightness**

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

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

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

3. **Isolated Phase Bus Test**

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

II. Failure Analysis and Other Miscellaneous Technical Assistance

Perform document review for NCPA on an as requested basis.

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

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

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

THERMAL CYCLING TEST:

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

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

VOLTAGE ENDURANCE TEST:

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

The test conditions shall be as follows:

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

Pass/Fail Criteria:

Surge Test (Coils Only):

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

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

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

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

Thermal Cycling Test:

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

Voltage Endurance Testing:

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

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

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

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

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

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

EXHIBIT B

COMPENSATION SCHEDULE AND HOURLY FEES

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

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

NOTES:

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

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

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

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

EXHIBIT C
CERTIFICATION

Affidavit of Compliance for Contractors

I, Shahrokh Zangeneh, Chief Commercial Officer

(Name of person signing affidavit)(Title)

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

Kinectrics AES Inc.

(Company name)

for contract work at:

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

(Project name and location)

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



(Signature of officer or agent)

Dated this 17th day of May, 20 22.

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



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

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

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

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

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

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

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

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

NOW, THEREFORE, the Parties agree as follows:

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

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

The remainder of Section 2 of the Agreement is unchanged.

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

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

Date: _____

Date: _____

NORTHERN CALIFORNIA POWER AGENCY

KINECTRICS AES, INC.

RANDY S. HOWARD, General Manager

SHAHROKH ZANGENEH, Chief Commercial Officer

Attest:

Assistant Secretary of the Commission

Approved as to Form:

Jane E. Luckhardt, General Counsel

EXHIBIT A

SCOPE OF SERVICES

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

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

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

I. Standard Generator Testing and Assessment;

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

II. Stator Winding Insulation Resistance and Polarization Index:

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

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

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

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

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

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

IV. Stator Winding Off-Line Partial Discharge Testing:

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

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

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

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

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

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

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

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

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

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

VII. **Stator Winding Resistance**

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

VIII. **Stator AC Overvoltage Withstand Test**

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

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

IX. Stator Winding DC Ramped Overvoltage Test

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

X. Stator Winding Limited Stator Winding Inspection

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

XI. Additional Generator Tests;

1. Stator Slot Wedge Tightness

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

2. Stator Core Low Energy (EICID) Test

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

3. Isolated Phase Bus Test

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

XII. Failure Analysis and Other Miscellaneous Technical Assistance

Perform document review for NCPA on an as requested basis.

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

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

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

THERMAL CYCLING TEST:

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

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

VOLTAGE ENDURANCE TEST:

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

The test conditions shall be as follows:

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

Pass/Fail Criteria:

Surge Test (Coils Only):

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

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

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

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

Thermal Cycling Test:

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

Voltage Endurance Testing:

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

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

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

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

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

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

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

1. Grounding & Lightning Analysis

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

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

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

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

2. Training

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

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

3. ARC Flash:

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

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

4. Cable Testing:

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

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

5. Field Measurement and Testing

- Ground grid Testing:

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

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

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

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

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

- **EMF:**

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

- **IR and Corona:**

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

- **Field Testing of Bucket Trucks:**

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

- **Transformer Testing:**

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

- **Commissioning Support:**

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

- **Factory Testing Support:**

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

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

6. Equipment Evaluation

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

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

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

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

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

7. Electric Induction Study/Analysis

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

8. Cathodic Protection Services:

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

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

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

9. LineVue Services

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

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

Kinectrics will provide the following items:

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

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

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

10. LineVue lease

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

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

Other Professional Services are more fully detailed as follows:

General Consulting Services

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

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

EXHIBIT B

COMPENSATION SCHEDULE AND HOURLY FEES

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

Generator testing and assessment services:

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

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

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

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

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

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

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

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

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



Lodi Energy Center Project Participant Committee Staff Report

AGENDA ITEM NO.: 13

Meeting Date: November 4, 2024

To: Lodi Energy Center Project Participant Committee

Subject: Atlas Copco Compressors LLC – Five Year Multi-Task General Services Agreement; Applicable to the following projects: All Northern California Power Agency (NCPA) Facilities, NCPA Members, Southern California Public Power Authority (SCPPA), and SCPPA Members

Proposal

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

Background

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

Selection Process

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

Fiscal Impact

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

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:

Michael DeBortoli
Assistant General Manager
Generation Services

Attachments: (1)

- Multi-Task General Agreement with Atlas Copco Compressors LLC



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

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

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

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

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

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

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

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

Invoices shall be sent to:

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

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

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

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

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

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

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

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

4.2 Commercial General and Automobile Liability Insurance.

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

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

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

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

4.3 Professional Liability Insurance. Not Applicable.

4.4 Pollution Insurance. Not Applicable.

4.5 All Policies Requirements.

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

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

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

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

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

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

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

Section 5. INDEMNIFICATION AND CONTRACTOR'S RESPONSIBILITIES.

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

Section 6. STATUS OF CONTRACTOR.

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

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

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

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

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

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

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

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

Section 7. LEGAL REQUIREMENTS.

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

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

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

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

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

Section 8. TERMINATION AND MODIFICATION.

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

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

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

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

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

8.4.1 Immediately terminate the Agreement;

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

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

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

Section 9. KEEPING AND STATUS OF RECORDS.

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

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

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

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

9.4 Confidential Information and Disclosure.

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

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

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

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

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

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

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

Section 10. PROJECT SITE.

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

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

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

Section 11. WARRANTY.

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

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

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

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

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

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

Section 13. MISCELLANEOUS PROVISIONS.

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

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

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

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

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

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

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

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

Any written notice to Agency shall be sent to:

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

With a copy to:

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

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

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

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

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

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

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

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

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

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

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

NORTHERN CALIFORNIA POWER AGENCY

ATLAS COPCO COMPRESSORS, LLC

Date_____

Date_____

RANDY S. HOWARD,
General Manager

ALFREDO PICCOLO,
General Manager / VP USA West Region

Attest:

Assistant Secretary of the Commission

Approved as to Form:

Jane E. Luckhardt, General Counsel

EXHIBIT A
SCOPE OF WORK

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

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

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

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

EXHIBIT B

COMPENSATION SCHEDULE AND HOURLY FEES

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

Atlas Copco Compressors Northern and Central CA Customer Center Labor Rates

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

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

Overtime: \$262.50 an hour portal to portal

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

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

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

Overtime: \$300.00 an hour portal to portal

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

Crepelle / ZH

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

Overtime: \$360.00 an hour portal to portal

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

Note:

Mileage is charged @ current IRS rates

Gas Surcharge \$30.00

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

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

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

EXHIBIT C

CERTIFICATION

Affidavit of Compliance for Contractors

I,

(Name of person signing affidavit)(Title)

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

Atlas Copco Compressors, LLC

(Company name)

for contract work at:

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

(Project name and location)

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

(Signature of officer or agent)

Dated this _____ day of _____, 20 _____.

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

NOT APPLICABLE

EXHIBIT D

CERTIFICATION

Affidavit of Compliance for Hazardous Materials Transport Vendors

I, _____,

(Name of person signing affidavit)(Title)

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

(Company name)

for hazardous materials delivery to:

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

(Project name and location)

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

(Signature of officer or agent)

Dated this _____ day of _____, 20 ____.

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

NOT APPLICABLE

EXHIBIT E

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

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

The undersigned hereby certifies and agrees that:

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

DATED: _____ Name of Employer _____

(Authorized Officer & Title)

(Address)



Lodi Energy Center Project Participant Committee Staff Report

AGENDA ITEM NO.: 14

Meeting Date: November 4, 2024

To: Lodi Energy Center Project Participant Committee

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

Proposal

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

Background

Various routine, recurring and usual T&M maintenance related services are required from time to time for the operation and maintenance of facilities owned and/or operated by NCPA, NCPA Members, by SCPPA and SCPPA Members. NCPA has utilized this vendor in the past, and has a good working relationship with this vendor. NCPA desires to enter into this agreement so established terms and conditions are in place should this vendor be the successful bidder on future purchases. NCPA has agreements in place for similar services with The Boldt Company, Performance Mechanical, TCB Industrial, TNT Industrial and Wagner Mechanical.

Selection Process

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

Fiscal Impact

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

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:

Michael DeBortoli
Assistant General Manager
Generation Services

Attachments: (1)

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



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

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

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

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

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

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

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

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

Invoices shall be sent to:

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

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

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

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

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

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

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

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

4.2 Commercial General and Automobile Liability Insurance.

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

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

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

4.3 Professional Liability Insurance. Not Applicable.

4.4 Pollution Insurance. Not Applicable.

4.5 All Policies Requirements.

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

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

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

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

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

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

Section 5. INDEMNIFICATION AND CONTRACTOR'S RESPONSIBILITIES.

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

Section 6. STATUS OF CONTRACTOR.

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

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

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

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

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

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

Section 7. LEGAL REQUIREMENTS.

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

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

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

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

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

Section 8. TERMINATION AND MODIFICATION.

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

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

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

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

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

8.4.1 Immediately terminate the Agreement;

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

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

Section 9. KEEPING AND STATUS OF RECORDS.

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

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

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

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

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

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

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

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

Section 10. PROJECT SITE.

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

Section 11. WARRANTY.

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

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

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

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

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

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

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

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

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

Section 13. MISCELLANEOUS PROVISIONS.

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

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

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

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

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

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

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

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

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

Any written notice to Agency shall be sent to:

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

With a copy to:

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

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

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

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

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

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

NORTHERN CALIFORNIA POWER AGENCY

RAM MECHANICAL, INC.

Date_____

Date_____

RANDY S. HOWARD,
General Manager

LUIS CASTANEDA,
Vice President

Attest:

Assistant Secretary of the Commission

Approved as to Form:

Jane E. Luckhardt, General Counsel

EXHIBIT A

SCOPE OF WORK

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

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

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

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

EXHIBIT B

COMPENSATION SCHEDULE AND HOURLY FEES

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

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

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

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

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

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

EXHIBIT C

CERTIFICATION

Affidavit of Compliance for Contractors

I,

(Name of person signing affidavit)(Title)

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

RAM Mechanical, Inc.

(Company name)

for contract work at:

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

(Project name and location)

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

(Signature of officer or agent)

Dated this _____ day of _____, 20 _____.

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

NOT APPLICABLE

EXHIBIT D

CERTIFICATION

Affidavit of Compliance for Hazardous Materials Transport Vendors

I, _____,

(Name of person signing affidavit)(Title)

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

(Company name)

for hazardous materials delivery to:

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

(Project name and location)

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

(Signature of officer or agent)

Dated this _____ day of _____, 20 ____.

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

EXHIBIT E

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

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

The undersigned hereby certifies and agrees that:

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

DATED: _____ Name of Employer _____

(Authorized Officer & Title)

(Address)



Lodi Energy Center Project Participant Committee Staff Report

AGENDA ITEM NO.: 15

Meeting Date: November 4, 2024

To: Lodi Energy Center Project Participant Committee

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

Proposal

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

Background

Predictive maintenance related services are required from time to time for the operation and maintenance of facilities owned and/or operated by NCPA, NCPA Members, by SCPPA and SCPPA Members. NCPA desires to enter into this agreement so established terms and conditions are in place should this vendor be the successful bidder on future purchases. NCPA does not currently have agreements in place for similar services with any other vendors.

Selection Process

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

Fiscal Impact

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

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:

Michael DeBortoli
Assistant General Manager
Generation Services

Attachments: (1)

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



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

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

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

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

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

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

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

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

Invoices shall be sent to:

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

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

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

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

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

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

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

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

4.3 Professional Liability Insurance. Not Applicable.

4.4 All Policies Requirements.

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

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

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

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

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

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

Section 5. INDEMNIFICATION AND CONSULTANT'S RESPONSIBILITIES.

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

Section 6. STATUS OF CONSULTANT.

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

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

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

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

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

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

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

Section 7. LEGAL REQUIREMENTS.

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

Section 8. TERMINATION AND MODIFICATION.

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

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

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

8.4.1 Immediately terminate the Agreement;

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

Section 9. KEEPING AND STATUS OF RECORDS.

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

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

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

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

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

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

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

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

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

Section 10. MISCELLANEOUS PROVISIONS.

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

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

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

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

Any written notice to Agency shall be sent to:

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

With a copy to:

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

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

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

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

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

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

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

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

NORTHERN CALIFORNIA POWER AGENCY

RTS RELIABILITY TESTING SERVICES, LLC

Date_____

Date_____

RANDY S. HOWARD,
General Manager

CHARLES R. SCOTT,
President

Attest:

Assistant Secretary of the Commission

Approved as to Form:

Jane E. Luckhardt, General Counsel

EXHIBIT A

SCOPE OF SERVICES

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

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

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

List of Subcontractors include the following:

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

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

EXHIBIT B

COMPENSATION SCHEDULE AND HOURLY FEES

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

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

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

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

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

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

EXHIBIT C

CERTIFICATION

Affidavit of Compliance for Contractors

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

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

RTS Reliability Testing Services, LLC
(Company name)

for contract work at:

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

(Project name and location)

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

(Signature of officer or agent)

Dated this _____ day of _____, 20 _____.

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



Lodi Energy Center Project Participant Committee

Staff Report

AGENDA ITEM NO.: 16

Date: November 4, 2024
To: Lodi Energy Center Project Participant Committee
Subject: FY 2023-2024 Annual Billing Settlement Summary

Proposal

The FY24 Annual Billing Settlement Summary for the period July 1, 2023 through June 30, 2024 is presented for approval and recommendation to the Agency Commission for its approval.

Background

Total Annual Costs to Participants were approximately \$109.1 million. Actual plant generation of 926,277 MWh was 29% lower than planned generation of 1,303,566 MWh. Third Party Revenues for the year totaled \$84.0 million.

Fuel, CAISO, energy, and ancillary services costs and revenues and GHG Allocance Costs do not play a material role in the annual settlements process as those items are adjusted monthly in the Agency's All Resources Bill when the actual costs for these categories are invoiced by NCPA.

This year's Total Annual Net Actual Costs were \$25.1 million. Adjusted net collections from participants totaled approximately \$25.5 million, which consists of participants' net collections of \$20.9 million and participants' transfer gas credits of \$4.6 million. The net refund amount due to LEC participants at fiscal yearend is \$399,762 or 0.37% of total collections. The refund primarily resulted from interest and other income that was \$1.0 million higher than credited over the year offset by net operating and maintenance costs that were \$608,422 higher than annual collections.

During FY24, LEC participants received budgeted Power Management Service Revenue of \$185,336. Final Power Management Service Revenue to LEC participants was \$193,743, resulting in a refund of \$8,407.

Fiscal Impact

Upon approval by this Committee and the Agency Commission, the net refund of \$408,169 (over collection of \$339,762 plus the under credited Power Management service revenue of \$8,407) will be refunded. NCPA member refunds will be included with their Agency's annual billing settlements and deposited into their GOR accounts. Non-members will receive refund payments in late December or miscellaneous invoices for amounts owed in early December that will be paid in accordance with Agency terms.

Environmental Analysis

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

Recommendation

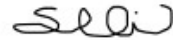
NCPA staff recommends the Committee approve the Annual Billing Settlement Summary for fiscal year ended June 30, 2024 as well as recommend Commission approval.

Respectfully submitted,



MONTY HANKS
Assistant General Manager/CFO
Administrative Services/Finance

Prepared by:



SONDRA AINSWORTH
Treasurer-Controller

Attachments: (3)

- Billing Settlement Summary FY2024
- Allocation of Project Actual FY2024
- Settlement Analysis for the Year Ended June 30, 2024

LODI ENERGY CENTER
Billing Settlement Summary
FY 2024

	Total	Azusa	BART	Biggs	CDWR	Gridley	Healdsburg	Lodi	Lompoc	MID	Plumas-Sierra	PWRPA	SVP	Ukiah
Collections per All Resources Bill (ARB)	\$ 21,691,665	\$ 837,307	\$ 1,682,306	\$ 31,911	\$ 9,464,523	\$ 209,395	\$ 231,043	\$ 217,114	\$ 7,793	\$ 41,418	\$ 236,701	\$ 801,902	\$ 7,764,725	\$ 165,527
Transfer Gas Credit in ARB	\$ 4,604,012	\$ -	\$ 301,226	\$ 48,578	\$ -	\$ 380,869	\$ 262,857	\$ 2,634,824	\$ 603,081	\$ -	\$ -	\$ -	\$ -	\$ 372,577
Total Adjusted ARB Collections	\$ 26,295,677	\$ 837,307	\$ 1,983,532	\$ 80,489	\$ 9,464,523	\$ 590,264	\$ 493,900	\$ 2,851,938	\$ 610,874	\$ 41,418	\$ 236,701	\$ 801,902	\$ 7,764,725	\$ 538,104
Net Project Costs	\$ 25,097,535	\$ 803,106	\$ 1,902,500	\$ 77,200	\$ 9,020,280	\$ 566,146	\$ 473,729	\$ 2,735,299	\$ 585,882	\$ (27,562)	\$ 227,055	\$ 769,148	\$ 7,448,571	\$ 516,181
O&M Reserve Charge	\$ 798,380	\$ 22,240	\$ 52,693	\$ 2,138	\$ 267,458	\$ 15,682	\$ 13,116	\$ 75,846	\$ 16,252	\$ 85,541	\$ 6,273	\$ 21,300	\$ 205,584	\$ 14,257
Total Adjusted Costs	\$ 25,895,915	\$ 825,346	\$ 1,955,193	\$ 79,338	\$ 9,287,738	\$ 581,828	\$ 486,845	\$ 2,811,145	\$ 602,134	\$ 57,979	\$ 233,328	\$ 790,448	\$ 7,654,155	\$ 530,438
Net Project Refund (Deficit)	\$ 399,762	\$ 11,961	\$ 28,339	\$ 1,151	\$ 176,785	\$ 8,436	\$ 7,055	\$ 40,793	\$ 8,740	\$ (16,561)	\$ 3,373	\$ 11,454	\$ 110,570	\$ 7,666
Excess of PM Service Revenue to LEC	\$ 8,407	\$ 234	\$ 555	\$ 23	\$ 2,816	\$ 165	\$ 138	\$ 799	\$ 171	\$ 901	\$ 66	\$ 224	\$ 2,165	\$ 150
Adjusted Net Refund (Deficit)	\$ 408,169	\$ 12,195	\$ 28,894	\$ 1,174	\$ 179,601	\$ 8,601	\$ 7,193	\$ 41,592	\$ 8,911	\$ (15,660)	\$ 3,439	\$ 11,678	\$ 112,735	\$ 7,816

LODI ENERGY CENTER
Allocation of Project Actual
FY 2024

Allocated by		Total	Azusa	BART	Biggs	CDWR	Gridley	Healdsburg	Lodi	Lompoc	MID	Plumas-Sierra	PWRPA	SVP	Ukiah	
ALLOCATION PERCENTAGES:																
Generation Entitlement Share ⁽¹⁾		GES	100.0000%	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%
Indenture Cost Share A		ICS A	100.0000%	4.9936%	11.8310%	0.4802%	0.0000%	3.5212%	2.9448%	17.0295%	3.6491%	0.0000%	1.4084%	4.7824%	46.1588%	3.2010%
Indenture Cost Share B		ICS B	100.0000%	0.000%	0.000%	0.000%	100.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
ACTUAL MWH			926,277	25,803	61,134	2,481	310,303	18,195	15,217	87,996	18,856	99,244	7,278	24,712	238,516	16,541
PROJECT COSTS:																
Fuel & LDC Costs		\$	39,049,475	\$ 1,088,219	\$ 2,578,274	\$ 104,439	\$ 13,086,631	\$ 765,826	\$ 640,740	\$ 3,701,042	\$ 792,833	\$ 4,185,494	\$ 306,932	\$ 1,042,208	\$ 10,059,125	\$ 697,712
GHG Allowance Costs		\$	14,661,949	\$ 408,458	\$ 967,680	\$ 39,300	\$ 4,911,857	\$ 287,898	\$ 240,952	\$ 1,392,844	\$ 298,490	\$ 1,570,897	\$ 115,282	\$ 391,094	\$ 3,775,427	\$ 261,770
Additional GHG Costs for Allocation		GES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Labor		GES	\$ 6,167,833	\$ 171,817	\$ 407,077	\$ 16,524	\$ 2,066,224	\$ 121,155	\$ 101,325	\$ 585,944	\$ 125,559	\$ 660,840	\$ 48,461	\$ 164,552	\$ 1,588,217	\$ 110,139
Variable O&M		GES	\$ 3,701,079	\$ 103,101	\$ 244,271	\$ 9,915	\$ 1,239,861	\$ 72,700	\$ 60,801	\$ 351,603	\$ 75,343	\$ 396,545	\$ 29,079	\$ 98,741	\$ 953,028	\$ 66,090
Fixed O&M		GES	\$ 4,230,549	\$ 117,850	\$ 279,216	\$ 11,334	\$ 1,417,234	\$ 83,101	\$ 69,499	\$ 401,902	\$ 86,121	\$ 453,274	\$ 33,239	\$ 112,867	\$ 1,089,366	\$ 75,545
Administration		GES	\$ 120,030	\$ 3,344	\$ 7,922	\$ 322	\$ 40,210	\$ 2,358	\$ 1,972	\$ 11,403	\$ 2,443	\$ 12,860	\$ 943	\$ 3,202	\$ 30,908	\$ 2,143
Mandatory Costs		GES	\$ 748,726	\$ 20,857	\$ 49,416	\$ 2,006	\$ 250,823	\$ 14,707	\$ 12,300	\$ 71,129	\$ 15,242	\$ 80,221	\$ 5,883	\$ 19,975	\$ 192,797	\$ 13,370
Inventory Stock		GES	\$ 302,475	\$ 8,426	\$ 19,963	\$ 810	\$ 101,329	\$ 5,942	\$ 4,969	\$ 28,735	\$ 6,157	\$ 32,408	\$ 2,377	\$ 8,070	\$ 77,887	\$ 5,401
O&M and Capital Projects Costs		GES	\$ 3,046,310	\$ 84,861	\$ 201,056	\$ 8,161	\$ 1,020,514	\$ 59,839	\$ 50,045	\$ 289,399	\$ 62,014	\$ 326,391	\$ 23,935	\$ 81,273	\$ 784,425	\$ 54,398
Maintenance Reserve		GES	\$ 2,169,063	\$ 60,424	\$ 143,158	\$ 5,811	\$ 726,636	\$ 42,607	\$ 35,633	\$ 206,061	\$ 44,156	\$ 232,400	\$ 17,042	\$ 57,868	\$ 558,534	\$ 38,733
Insurance		GES	\$ 1,567,993	\$ 43,680	\$ 103,488	\$ 4,201	\$ 525,278	\$ 30,800	\$ 25,759	\$ 148,959	\$ 31,920	\$ 167,999	\$ 12,320	\$ 41,832	\$ 403,758	\$ 28,000
Other Costs		GES	\$ 10,979	\$ 306	\$ 725	\$ 29	\$ 3,678	\$ 216	\$ 180	\$ 1,043	\$ 223	\$ 1,176	\$ 86	\$ 293	\$ 2,827	\$ 196
Generation Services Shared		GES	\$ 411,489	\$ 11,463	\$ 27,158	\$ 1,102	\$ 137,849	\$ 8,083	\$ 6,760	\$ 39,091	\$ 8,377	\$ 44,088	\$ 3,233	\$ 10,978	\$ 105,958	\$ 7,348
Transmission (CAISO)			\$ 497,506	\$ 13,859	\$ 32,835	\$ 1,333	\$ 166,665	\$ 9,773	\$ 8,173	\$ 47,263	\$ 10,128	\$ 53,304	\$ 3,909	\$ 13,273	\$ 128,107	\$ 8,884
Energy Purchases (CAISO)		\$	2,530,976	\$ 73,190	\$ 171,849	\$ 6,435	\$ 880,271	\$ 47,183	\$ 39,461	\$ 228,197	\$ 48,899	\$ 257,365	\$ 18,873	\$ 70,093	\$ 646,266	\$ 42,894
Debt Service Cost:																
Indenture Group A Cost		ICS A	\$ 20,909,761	\$ 1,044,150	\$ 2,473,834	\$ 100,409	\$ -	\$ 736,275	\$ 615,751	\$ 3,560,828	\$ 763,018	\$ -	\$ 294,493	\$ 999,988	\$ 9,651,695	\$ 669,321
BAB's Subsidy (Group A)		ICS A	\$ (4,261,954)	\$ (212,825)	\$ (504,232)	\$ (20,466)	\$ -	\$ (150,072)	\$ (125,506)	\$ (725,789)	\$ (155,523)	\$ -	\$ (60,025)	\$ (203,824)	\$ (1,967,267)	\$ (136,425)
Debt and Trustee Fees (Group A)		ICS A	\$ 20,751	\$ 1,036	\$ 2,455	\$ 100	\$ -	\$ 731	\$ 611	\$ 3,534	\$ 757	\$ -	\$ 292	\$ 992	\$ 9,578	\$ 664
Indenture Group B Cost		ICS B	\$ 10,990,418	\$ -	\$ -	\$ -	\$ 10,990,418	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
BAB's Subsidy (Group B)		ICS B	\$ (1,645,988)	\$ -	\$ -	\$ -	\$ (1,645,988)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt and Trustee Fees (Group B)		ICS B	\$ 11,567	\$ -	\$ -	\$ -	\$ 11,567	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Administrative & General		GES	\$ 2,327,822	\$ 64,846	\$ 153,636	\$ 6,236	\$ 779,820	\$ 45,725	\$ 38,241	\$ 221,143	\$ 47,387	\$ 249,410	\$ 18,290	\$ 62,104	\$ 599,414	\$ 41,568
Power Management Allocated Costs		GES	\$ 1,486,114	\$ 41,399	\$ 98,084	\$ 3,981	\$ 497,848	\$ 29,192	\$ 24,414	\$ 141,181	\$ 30,253	\$ 159,227	\$ 11,676	\$ 39,648	\$ 382,674	\$ 26,538
Total Project Costs		\$	109,054,923	\$ 3,148,461	\$ 7,457,866	\$ 301,982	\$ 37,208,726	\$ 2,214,037	\$ 1,852,081	\$ 10,705,512	\$ 2,293,797	\$ 8,883,899	\$ 886,320	\$ 3,015,228	\$ 29,072,725	\$ 2,014,289
Estimated price per MWh		\$	117.73	\$ 122.02	\$ 121.99	\$ 121.69	\$ 119.91	\$ 121.68	\$ 121.71	\$ 121.66	\$ 121.65	\$ 89.52	\$ 121.78	\$ 122.01	\$ 121.89	\$ 121.78
Third Party Revenue																
ISO Energy Sales		\$	67,202,652	\$ 1,876,011	\$ 4,443,434	\$ 179,626	\$ 22,559,693	\$ 1,317,060	\$ 1,101,495	\$ 6,369,734	\$ 1,364,933	\$ 7,183,942	\$ 526,811	\$ 1,796,676	\$ 17,285,928	\$ 1,197,309
Ancillary Services Sales			\$ 834,603	\$ 23,250	\$ 55,084	\$ 2,236	\$ 279,592	\$ 16,394	\$ 13,711	\$ 79,287	\$ 16,990	\$ 89,422	\$ 6,557	\$ 22,266	\$ 214,910	\$ 14,904
GHG Allowance Credits		GES	\$ 14,661,949	\$ 408,458	\$ 967,680	\$ 39,300	\$ 4,911,857	\$ 287,898	\$ 240,952	\$ 1,392,844	\$ 298,490	\$ 1,570,897	\$ 115,282	\$ 391,094	\$ 3,775,427	\$ 261,770
Insurance Receipts		GES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest & Other Income		GES	\$ 627,201	\$ 17,472	\$ 41,395	\$ 1,680	\$ 210,112	\$ 12,320	\$ 10,304	\$ 59,584	\$ 12,768	\$ 67,200	\$ 4,928	\$ 16,733	\$ 161,504	\$ 11,200
Interest Income (Group A)		ICS A	\$ 403,792	\$ 20,164	\$ 47,773	\$ 1,939	\$ -	\$ 14,218	\$ 11,891	\$ 68,764	\$ 14,735	\$ -	\$ 5,687	\$ 19,311	\$ 186,386	\$ 12,925
Interest Income (Group B)		ICS B	\$ 227,191	\$ -	\$ -	\$ -	\$ 227,191	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$	83,957,388	\$ 2,345,355	\$ 5,555,366	\$ 224,781	\$ 28,188,445	\$ 1,647,890	\$ 1,378,353	\$ 7,970,213	\$ 1,707,916	\$ 8,911,461	\$ 659,265	\$ 2,246,080	\$ 21,624,155	\$ 1,498,108
Annual Project Costs, net		\$	25,097,535	\$ 803,106	\$ 1,902,500	\$ 77,200	\$ 9,020,280	\$ 566,146	\$ 473,729	\$ 2,735,299	\$ 585,882	\$ (27,562)	\$ 227,055	\$ 769,148	\$ 7,448,571	\$ 516,181
Actual Price per Mwh, net		\$	27.10	\$ 31.12	\$ 31.12	\$ 31.11	\$ 29.07	\$ 31.12	\$ 31.13	\$ 31.08	\$ 31.07	\$ (0.28)	\$ 31.20	\$ 31.12	\$ 31.23	\$ 31.21
Summary of Variable and Fixed Project Costs:																
Variable Costs		\$	60,440,985	\$ 1,686,827	\$ 3,994,909	\$ 161,422	\$ 20,285,285	\$ 1,183,380	\$ 990,127	\$ 5,720,949	\$ 1,225,693	\$ 6,463,605	\$ 474,075	\$ 1,615,409	\$ 15,561,953	\$ 1,077,350
Fixed Costs		\$	48,613,938	\$ 1,461,634	\$ 3,462,956	\$ 140,559	\$ 16,923,440	\$ 1,030,657	\$ 861,954	\$ 4,984,563	\$ 1,068,104	\$ 2,420,294	\$ 412,245	\$ 1,399,819	\$ 13,510,772	\$ 936,939
		\$	109,054,923	\$ 3,148,461	\$ 7,457,866	\$ 301,982	\$ 37,208,726	\$ 2,214,037	\$ 1,852,081	\$ 10,705,512	\$ 2,293,797	\$ 8,883,899	\$ 886,320	\$ 3,015,228	\$ 29,072,725	\$ 2,014,289
Unfunded/(Excess)		\$	(399,762)	\$ (11,961)	\$ (28,339)	\$ (1,151)	\$ (176,785)	\$ (8,436)	\$ (7,055)	\$ (40,793)	\$ (8,740)	\$ 16,561	\$ (3,373)	\$ (11,454)	\$ (110,570)	\$ (7,666)
			1.568%													
JPA Assessment (per PMOA)		\$	62,604	\$ 3,511	\$ -	\$ -	\$ 42,225	\$ -	\$ -	\$ -	\$ -	\$ 13,505	\$ -	\$ 3,363	\$ -	\$ -
PM Service Revenue		\$	193,743	\$ 5,397	\$ 12,787	\$ 519	\$ 64,904	\$ 3,806	\$ 3,183	\$ 18,406	\$ 3,944	\$ 20,758	\$ 1,522	\$ 5,169	\$ 49,889	\$ 3,460

Note: 1 Generation Entitlement Share (GES) is synonymous with commonly used terms of Project Entitlement Share, Project Percentage, Project Share, Third Phase share.

NORTHERN CALIFORNIA POWER AGENCY
LODI ENERGY CENTER
SETTLEMENT ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024

	Collections	Actual Costs	Refund/(Deficit)	Explanations and Comments
COLLECTIONS/COSTS ANALYSIS:				
Variable Costs				
Variable O&M	\$ 5,108,593	\$ 3,701,079	\$ 1,407,514	General: Lodi Energy Center (LEC) operates as a business plant designed to meet electric generation demand and reliability as determined by CAISO.
Fuel & LDC Costs	39,049,475	39,049,475	-	
GHG Allowance Costs	14,661,949	14,661,949	-	
Additional GHG Costs for Auction	-	-	-	
CA ISO Charges	497,506	497,506	-	
CA ISO Energy Purchases	2,530,976	2,530,976	-	
Total Variable Costs	61,848,499	60,440,985	1,407,514	The costs of Fuel & LDC, GHG Allowances, and ISO Energy Purchases and Charges are settled with participants in the ARB month when charged.
Routine O&M				
Fixed O&M	3,350,081	4,230,549	(880,468)	Routine O&M: Routine O&M costs were higher than collections by \$1.0 million primarily due to increase in outside services for annual maintenance work and annual permit fees.
Administration	188,173	120,030	68,143	
Mandated Costs	374,870	748,726	(373,856)	
Inventory Stock	500,000	302,475	197,525	
Routine O & M Costs without Labor	4,413,124	5,401,780	(988,656)	
Labor	6,167,244	6,167,833	(589)	
Total Routine O & M Costs	10,580,368	11,569,613	(989,245)	
Other Plant Costs				
Debt Service	25,992,237	25,992,237	-	Other Plants Costs - Insurance: Insurance costs were lower than collections due to less than budgeted allocated insurance costs to the plant.
Insurance	1,751,712	1,567,993	183,719	
Other Costs	176,665	43,297	133,368	Other Costs A&G, Generation Shared, Power Management, and other net costs were less than collections due to less legal costs.
Administrative & General	2,285,971	2,327,822	(41,851)	
Generation Services Shared	393,387	411,489	(18,102)	
Power Management Allocated Costs	1,505,071	1,486,114	18,957	
Total Other Plant Costs	32,105,043	31,828,952	276,091	
Total O & M Costs	104,533,910	103,839,550	694,360	
Projects				
Operations & Maintenance	1,698,528	3,012,560	(1,314,032)	Projects: Operations & Maintenance and Capital Projects were \$1.3 million higher than collecitons due to higher than expected annual maintenance costs.
Capital Projects	45,000	33,750	11,250	
Maintenance Reserve	2,169,063	2,169,063	-	
Total Projects	3,912,591	5,215,373	(1,302,782)	
Annual Collections/Costs	108,446,501	109,054,923	(608,422)	
THIRD PARTY REVENUE ANALYSIS:				
ISO Energy Sales	67,202,652	67,202,652	-	Third Party Revenues: Third party revenue were higher than anticipated by \$1.0 million primarily due to higher interest income earned.
Ancillary Services Sales	834,603	834,603	-	
GHG Allowance Credits	14,661,949	14,661,949	-	
Interest Income - Operations	134,000	626,254	(492,254)	
Interest Income (NCPA)	105,000	403,792	(298,792)	
Interest Income (CDWR)	11,000	227,191	(216,191)	
Other Income	-	947	(947)	
Total Third Party Revenue	82,949,204	83,957,388	(1,008,184)	Revenues from ISO Energy Sales and Ancillary Services are credited to participants in the ARB when received.
Net Plant Collections/Costs ^(A)	\$ 25,497,297	\$ 25,097,535	\$ 399,762	
OTHER ITEMS:				
Natural Gas Transfer Credit ^(A)	(4,604,012)	(4,604,012)	-	
Net Project Collections/Costs	\$ 20,893,285	\$ 20,493,523	\$ 399,762	



Decommissioning Reserves Policy

Sondra Ainsworth
November 4, 2024

10/7/24 Review/Discussion

- Brief background
- Policy purpose and scope
- Definitions and guidelines
- Reserve administration
- Authorized uses
- Reserves annual and aggregate target funding levels

Projected LEC Decommissioning Costs

	Estimate in 2023 Dollars
Demolition Costs - Direct	\$15,500,000
Owner Indirect Costs for Oversight	3,100,000
Engineering Support, Isolation, and Separation	1,600,000
Contingency (15%)	2,300,000
Subtotal	22,500,000
Salvage	-600,000
Total Net Estimate As Of December 12, 2023	\$21,900,000

Escalated LEC Decommissioning Costs

Fiscal Year	Decommissioning Cost	Annual Cost Escalation	Escalated Cost Net of Expended	Escalation/Inflation	
				Fiscal Year	Rate
2024	21,900,000	247,515	22,147,515	2016-2024	2.26%
2025	22,147,515	494,685	22,642,200	2025	2.23%
2026	22,642,200	483,420	23,125,621	2026	2.14%
2027	23,125,621	482,346	23,607,967	2027-2045	2.09%
2028	23,607,967	492,407	24,100,374		
2029	24,100,374	502,677	24,603,051		
2030	24,603,051	513,162	25,116,213		
2031	25,116,213	523,865	25,640,079		
2032	25,640,079	534,792	26,174,871		
2033	26,174,871	545,947	26,720,817		
2034	26,720,817	557,334	27,278,151		
2035	27,278,151	568,958	27,847,110		
2036	27,847,110	580,826	28,427,935		
2037	28,427,935	592,940	29,020,875		
2038	29,020,875	605,308	29,626,183		
2039	29,626,183	617,933	30,244,116		
2040	30,244,116	630,821	30,874,937		
2041	30,874,937	643,979	31,518,916		
2042	31,518,916	657,411	32,176,327		
2043	32,176,327	671,123	32,847,450		
2044	32,847,450	685,121	33,532,571		
2045	33,532,571	699,411	34,231,982		
	21,900,000	\$ 12,331,982	\$ 34,231,982		

Decommissioning Collections and Interest Earnings

Fiscal Year	Fund Collections	Expenditures	Int. Earned 3.00%	Fund Balance
2024				
2025				
2026	1,236,860		37,106	1,273,966
2027	1,236,860		75,325	2,586,151
2028	1,236,860		114,690	3,937,702
2029	1,236,860		155,237	5,329,799
2030	1,236,860		197,000	6,763,659
2031	1,236,860		240,016	8,240,535
2032	1,236,860		284,322	9,761,717
2033	1,236,860		329,957	11,328,534
2034	1,236,860		376,962	12,942,357
2035	1,236,860		425,377	14,604,593
2036	1,236,860		475,244	16,316,697
2037	1,236,860		526,607	18,080,164
2038	1,236,860	-	579,511	19,896,535
2039	1,236,860	-	634,002	21,767,397
2040	1,236,860	-	690,128	23,694,385
2041	1,236,860	-	747,937	25,679,183
2042	1,236,860	-	807,481	27,723,524
2043	1,236,860	-	868,812	29,829,196
2044	1,236,860	-	931,982	31,998,038
2045	1,236,860	-	997,084	34,231,982
2046		34,231,982		
	\$24,737,205	\$0	\$9,494,777	\$34,231,982

Projected Annual and Aggregate Participant Collections

Project Participant	Generation Entitlement Shares	FY26 Allocated Decommissioning Cost	Total Allocated Decommissioning Cost
Azusa	2.79%	34,455	953,600
BART	6.60%	81,633	2,259,311
Biggs	0.27%	3,314	91,707
CDWR	33.50%	414,347	11,467,715
Gridley	1.96%	24,296	672,419
Healdsburg	1.64%	20,319	562,363
Lodi	9.50%	117,502	3,252,038
Lompoc	2.04%	25,179	696,860
MID	10.71%	132,521	3,667,717
Plumas-Sierra	0.79%	9,718	268,961
PWRPA	2.67%	32,998	913,275
SVP	25.75%	318,491	8,814,736
Ukiah	1.79%	22,087	611,280
Totals	100.00%	1,236,860	34,231,982

Next Steps

- 12/05 Present to Commission and request approval.

Request

Staff requests that the Lodi Energy Center Project Participant Committee approve the Decommissioning Reserves Policy for the Lodi Energy Center.

Comments / Questions



Lodi Energy Center Project Participant Committee

Staff Report

AGENDA ITEM NO.: 17

Date: November 4, 2024
To: Lodi Energy Center Project Participant Committee
Subject: Decommissioning Reserve Policy

Proposal

Staff recommends that the Lodi Energy Center Project Participant Committee approve the Decommissioning Reserve Policy for the Lodi Energy Center.

Background

NCPA Policy 200-101 Operating Reserves includes a high-level purpose for decommissioning reserves and states that they “are funds set aside for the purpose of deactivating a generating plant or other facility and returning the site to a specified condition.” NCPA began decommissioning reserve collections for the Geothermal Generating Project Number 3 (Geo) in 2007. Through Fiscal Year 2024, the Geo Project was the sole project for which NCPA budgeted and collected for future decommissioning costs.

NCPA’s 2021-2026 Strategic Plan identified a goal to review the reserve and program security deposit policies to ensure collected balances are meeting the emerging market risks and opportunities. In conjunction with that goal and the member sentiments about the level of required deposits, security, and collateral collected by the Agency related to various program and agreements, staff solicited and awarded an RFP for a Reserve and Program Security Deposit Study in May, 2022 to Utility Financial Solutions (UFS). NCPA staff reviewed resulting draft study recommendations with the Facilities Committee that October.

During the discussion, the committee participants agreed that NCPA staff should take the steps necessary to create decommissioning reserves for the Combustion Turbine Project Number One (CT1), the Combustion Turbine Project Number Two-Unit One (CT2), and the Lodi Energy Center Project (LEC). NCPA performed updated decommissioning studies in Fiscal Year 2024 and included decommissioning collections in the Fiscal Year 2025 budget for Geo and CT2. The Agency will include decommissioning collections in the Fiscal Year 2026 budget for CT1 and LEC.

During Fiscal Years 2023 and 2024, three significant outages occurred at the Geo Project which required large outlays of unbudgeted funds. By the time the third outage occurred, NCPA had collected for one budget augmentation and after Commission approval had transferred funds from the project’s Maintenance Reserve to pay for operational and repair costs. When the third outage occurred, there was a recommendation and Commission action to approve (Resolution 24-02) the transfer of previously collected funds from the Geothermal Decommissioning Reserve, as needed, to pay for the Geo Plant 1 Unit 2 Turbine Overhaul Project costs and authorizing the replenishment of the reserve funds by Project Participants, to the extent utilized, over a three-year period through the normal budgeting process beginning in Fiscal Year 2025.

Through this chain of events, NCPA staff determined it prudent to develop a more specific Decommissioning Reserve Policy to include purpose and scope, definitions, reserve administration guidelines, authorized uses of reserve funds, and responsibilities.

Fiscal Impact

NCPA will include LEC Decommissioning Reserve Collections in the Fiscal Year 2026 Lodi Energy Center Project budget, currently estimated at \$1,236,860.

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:

MONTY HANKS

Assistant General Manager, Admin Services / CFO
Administrative Services

Attachment:

- Decommissioning Reserves Policy No. 200-104

POLICY

It is the policy of the Agency to sufficiently fund future decommissioning costs for NCPA generation projects and to stabilize collections from Project Participants over the life of the assets. Such collected funds shall be accounted for separately for each power plant.

PURPOSE AND SCOPE

The purpose of this policy is to ensure that the Agency adequately collects for applicable generation projects' decommissioning costs prior to the time that those costs are incurred. This policy is applicable to the following NCPA generation projects: 1) Geothermal Generating Project Number 3; 2) Combustion Turbine Project Number One; 3) Combustion Turbine Project Number Two; and 4) Lodi Energy Center Project. This policy is not applicable to the Hydroelectric Project Number One. Decommissioning Reserves will be categorized as Designated Reserves and will be unrestricted. This policy identifies target reserve funding levels and authorized uses of reserve funds.

REFERENCE

- Agreement for Construction, Operation, and Financing of Geothermal Generating Project Number 3
- Agreement for Construction, Operation, and Financing of Combustion Turbine Project Number One
- Agreement for Construction, Operation, and Financing of Combustion Turbine Project Number Two-Unit One
- Lodi Energy Center Project Management and Operations Agreement
- NCPA's Investment Policy and Guidelines

DEFINITIONS AND GUIDELINES

All Resources Bill (ARB) is the invoice that NCPA issues to each Participant for its allocated share of generation and other resources, transmission, Administrative Services, Power Management, Legislative and Regulatory, reserves and deposits, and all other Agency program and activity related costs.

Decommissioning Reserve are funds set aside for the purpose of removing a generating facility from service at the end of its life including deconstruction and dismantling, the removal of components for reuse, remanufacturing, recycling, storage, and/or disposal, and any required remediation or restoration of the project site to a specified condition or to its original state. The decommissioning may be required by regulation, licensing, contract or leasehold agreements which may impose time and/or other conditional restraints on such activities. Properly planning and then collecting for decommissioning costs over time allows the Agency to mitigate negative impacts to environments and economies in which it operates and stabilize costs and financial impact to Project Participants and their ratepayers. Decommissioning Reserves should be considered an integral part of the Agency risk management program.

Decommissioning Study (Capital Cost Estimate) are studies performed by third party consultants that result in updated models and cost estimates using current rates for key factors, revisiting California decommissioning requirements, incorporating current

demolition and construction trends, and revisiting the demolition methodology based on current demolition industry experience using a determined approach such as the Engineering, Procurement, and Construction (EPC) approach. These studies will list major assumptions utilized in the study to arrive at the refreshed estimates.

Decommissioning requirements shall be reviewed at a maximum interval of every seven years and reserve requirements updated as needed depending on economic conditions, environmental laws or other such circumstances that may affect the cost of decommissioning. Decommissioning Study shall be updated within three years of the projected final decommissioning date when the last cost refresh occurred more than three years prior to the commencement of decommissioning activities.

Designated Reserves are that portion of unrestricted reserves that meet specific purposes set aside by the NCPA Commission. Designated reserves may be held for specific capital and operating purposes.

Emergency is an unanticipated event that results in an unbudgeted expense in excess of \$5 million or in excess of the project's unassigned Maintenance Reserve balance. The Agency standard operating procedure will be to recommend that such emergencies are funded from the respective project's Maintenance Reserve. If the funds required to pay for the emergency costs are not available in the project's Maintenance Reserve, NCPA will recommend to the Commission that the emergency is funded through a budget augmentation. Members may pay that augmentation with their available GOR balances or directly to NCPA, while non-member participants will pay funds directly to NCPA; the Agency may invoice the augmentation through the ARB or through a special invoice. As a last resort, NCPA's Assistant General Manager Administrative Services may recommend that the Commission fund the emergency through a loan from the respective plant's Decommissioning Reserve in the case that the respective Maintenance Reserve balance is not sufficient to pay for emergency costs and Project Participants and the NCPA Commission have determined that a budget augmentation is not a feasible option. Funds shall not be loaned to cover emergencies at plants other than the plant identified in the Designated Reserve.

General Operating Reserve (GOR) is a special voluntary reserve established for purposes of providing a vehicle to fund reasonably foreseeable contingent liabilities. It provides members complete flexibility and discretion to solely determine their participation and level of funding, if any, for any specific or non-specific contingent liability.

Decommissioning Reserve Loan occurs when Project Participants borrow funds from a plant's Decommissioning Reserve balance to fund an emergency expenditure. A loan from the reserve is the last resort when other funding sources are not available to cover the costs of an emergency. All loans require approval of the NCPA Commission prior to the transfer of fund balances from the project Decommissioning Reserve to the project Maintenance Reserve. Generally, loans will be limited to an aggregate 25% of the collected reserve balance for each project. When the market is such that securities can be sold without incurring losses, subject to NCPA Commission approval, loans may exceed the aggregate limit of 25%, but at no time will loans be made in excess of 35% of the collected reserve balance.

The Agency will review loans on a case by case basis to determine whether repayment to the Decommissioning Reserve is required or if interest earnings are projected to be sufficient to recover the loan principal balance and any foregone interest earnings. When repayment of the loan is required, the maximum allowable repayment term will be three years. NCPA will collect repayments of loans from Project Participants through the annual operating budget process.

In the event that a project participant supports a Decommissioning Reserve Loan to fund emergency expenses but states the intention to fund its allocated share of the costs from another source such as from its uncommitted GOR balance, NCPA will create a new Loan Allocation Basis to apportion the loan amongst the remainder of project participants. Future budgetary collections for the repayment to the Decommissioning Reserve will be based on that revised loan allocation basis and not on generation entitlement shares.

Loan Allocation Basis is the allocation methodology to be utilized when there are project participants who do not fund their respective portion of expenditures related to an emergency from the Decommissioning Reserve Loan. The allocation will be determined based on each participant that funded its respective share of the emergency costs through the loan in relation to the total loan amount.

Maintenance Reserves are set aside for the purpose of funding anticipated costs of future estimated scheduled overhauls and other major projects, unanticipated, but Commission approved, cost overruns, extraordinary repairs and unbudgeted maintenance. Fund balances and annual replenishments are affected through the annual operating budget.

Project Participants are entities that executed the project Third Phase Agreements together in each case with their respective successors or assigns.

Unassigned Maintenance Reserve Balance is the portion of a project Maintenance Reserve balance that has not been specifically identified to fund a maintenance or capital project.

DECOMMISSIONING RESERVE ADMINISTRATION

The Decommissioning Reserves will be administered as follows:

- Decommissioning funding for each plant, as estimated in periodic decommissioning studies, shall be reviewed and recommended by the Facilities Committee for Commission approval and incorporated into the annual budget process.
- Funds will be held by NCPA in separate project related accounts in its general ledger.
- Funds will not be comingled with other Operating Funds for investment purposes, but rather will be separately held and invested in accordance with Agency Investment Policy and Guidelines.
- Funds shall not be loaned to cover emergencies at plants other than the plant identified in the Designated Reserve.
- Interest earnings thereon shall be paid and added to the respective project Decommissioning Reserve account balances. Individual participant accounts will be credited with their proportionate share of such earnings. When there is an outstanding Decommissioning Reserve Loan for a respective project, the net balance used to allocate interest to participants will reflect the reduction of the outstanding loan balance for each participant who funded their proportion of the emergency costs through that loan.
- NCPA will maintain a detailed accounting by Participant, which will be updated not less than quarterly and shall be available at any time to a participant upon request.
- The prior year's activity will be reviewed and the proposed funding level presented during the NCPA Annual Budget process. Such proposed funding levels will be based on the most recent Decommissioning Study cost estimate for each of the projects.
- The cost allocation for annual collection of repayment for Decommissioning Reserve Loans will be based on the Loan Allocation Basis.
- The Agency may invest up to 25% of each reserve's portfolio in investments with maximum maturities of up to one year. The balance of investment maturities will be aligned with projected decommissioning activity cash flow needs. Any investment losses resulting from the sale of investments prior to the maturity dates to fund emergencies, i.e., before maturity, shall be allocated to and borne by the Project Participant(s) causing such action by NCPA. When an emergency requires the liquidation of investments, the Treasurer-Controller will mitigate losses to the extent possible. The potential loss on the early sale of investments shall be included in the Staff Report recommending the use of Decommissioning Reserve funds to pay for the emergency related costs.

AUTHORIZED USES OF RESERVE FUNDS

The Decommissioning Reserves funds may be used for decommissioning purposes and for Loans to pay for costs associated with an emergency, as approved by the NCPA Commission.

RESPONSIBILITY

NCPA COMMISSION is responsible for, among other things, reviewing and approving the use of Decommissioning Reserve funds as a loan to pay for costs associated with an emergency.

ASSISTANT GENERAL MANAGER (AGM) Generation Services is responsible for the Decommissioning Reserves. Responsibilities include monitoring usage of the reserves, obtaining Decommissioning Study cost estimates, and recommending adjustments and/or changes to the reserves as needed.

ASSISTANT GENERAL MANAGER (AGM) Administrative Services/CFO is responsible for all Reserve funds to include: opening or closing reserve funds, recommending policy changes in regard to reserves and ensuring that these reserves are used in assessing the Agency's risk management program. The AGM/CFO may recommend funding generating plant emergencies through a Decommissioning Reserve Loan from the respective plant's Decommissioning Reserve in the case that the project's respective Maintenance Reserve balance is not sufficient to pay for the emergency costs and Project Participants and NCPA Commission have determined that a budget augmentation is not a feasible option.

TREASURER-CONTROLLER is responsible for monitoring usage of the reserve funds, assessing the adequacy of the reserves, budgeting reserves to maintain appropriate reserve balances, periodic reporting of reserve activity, laddering reserve investments, and mitigating losses on the early sale of investments that are needed to pay for emergencies as approved by the NCPA Commission.

RESERVE ANNUAL AND AGGREGATE TARGETS AND FUNDING

Reserves are generally funded through the annual operating budget process. Annual and aggregate funding targets are included in Attachment 1.

VERSION HISTORY

No.	Explanation	Date	Author
0	Original Policy	10/24	SA