

Lodi Energy Center
Project Participant Committee Regular Meeting
March 13, 2017 - MEETING MINUTES
 Location: Lodi Energy Center
 12745 N. Thornton Rd, Lodi CA 95242
 and by teleconference
 10:00 A.M.

1. Call Meeting to Order and Roll Call

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

PPC Meeting Attendance Summary		
Participant	Attendance	Particulars / GES
Azusa - Morrow	Present	2.7857%
BART - Lloyd	Absent	6.6000%
Biggs - Sorenson	Present	0.2679%
CDWR - Forsythe	Present	33.5000%
Gridley - Borges	Absent	1.9643%
Healdsburg - Crowley	Absent	1.6428%
Lodi - Chiang	Present	9.5000%
Lompoc - Singh	Present	2.0357%
MID - Caballero	Present	10.7143%
Plumas-Sierra - Brozo	Absent	0.7857%
PWRPA - Bradley	Present	2.6679%
SVP - Hance	Present	25.7500%
Ukiah - Grandi	Absent	1.7857%
Summary		
Present	8	87.2215%
Absent	5	12.7785%
Quorum by #:	Yes	
Quorum by GES:	Yes	
Meeting Date:	March 13, 2017	

Public Forum

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

Ken Speer noted that there were some additional NCPA staff attending this month's PPC meeting. Chairman Morrow asked for introductions. Those in attendance were Monty Hanks, Assistant General Manager, Administrative Services; Michelle Schellentrager, Administrative Assistant, Power Management.

2. Meeting Minutes

The draft minutes of the regular meeting held on February 13, 2017 were considered. The LEC PPC considered the following motion:

Date: 3/13/2017

Motion: The PPC approves the minutes of the February 13, 2017 regular meeting as presented or *including any edits discussed at today's meeting.*

Moved by: CDWR

Seconded by: SVP

Discussion: There was no further discussion.

Vote Summary on Motion		
Participant	Vote	Particulars / GES
Azusa	Yes	2.7857%
BART	Absent	6.6000%
Biggs	Yes	0.2679%
CDWR	Yes	33.5000%
Gridley	Absent	1.9643%
Healdsburg	Absent	1.6428%
Lodi	Yes	9.5000%
Lompoc	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	8	87.2215%
Total Noes	0	0.0000%
Total Abstain	0	0.0000%
Total Absent	5	12.7785%
Result:	Motion passes.	

MONTHLY REPORTS

3. Operational Reports for February 2017

Jeremy Lawson presented the Operational Report for February. There were no OSHA recordable accidents, no permit violations, no NERC/WECC violations and no forced outages. LEC experienced issues with the inlet guide vane and the actuator failing. The actuator was replaced with a new one and the old one was shipped out for testing. The outage continues to be scheduled for May 2017. Jeremy mentioned that Mike has a presentation with regard to the outage that he will present today.

The operational report reflected monthly production of 15,000 MWH, 73 service hours, and equivalent operating availability of 99.6%. The report set forth the Capacity Factor @ 280MW Pmax of 8.2% and @ 302MW Pmax of 7.6%. There were zero hot starts, one warm start, and two cold starts during the month.

4. Market Data Report for February 2017

Mike Whitney presented the operating and financial settlement results for the month. LEC monthly availability was 98%. Mike reported the CASIO RA incentive mechanism availability standard showed 96.5% availability. LEC was committed by CAISO for 4 of 28 available days. The 24 days LEC was not committed was due to economics.

5. Monthly Asset Report

Mike DeBortoli presented the monthly asset report and budget review for January 2017. Mike reported that fixed budget is on track. He noted the insurance bill came in late. It's due in December but was paid in January so that's reflected on the report. Mike also reported that projects will be down about 62%.

6. Bidding Strategies Report

Ken Goeke presented monthly Bidding Strategies for February 2017. Ken reported no major changes. The big item is the startup bid costs and negative prices continue to be problematic. Ken reported that he's utilizing a new expanded format report and if anyone is interested in seeing data tracking to let him know.

Consent Calendar (Items 7 – 12)

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

Date: 3/13/2017

Motion: The PPC approves the Consent Calendar items consisting of agenda items no. 7. Treasurer's Report for February 2017; 8. Financial Reports for February 2017; 9. GHG Reports excerpted from monthly ARB; 10. Control Components, Inc. five year Multi-Task General Services Agreement and Agreement for Purchase of Equipment, Materials and Supplies not to exceed \$500,000 for valve/vent maintenance for use at all facilities owned and/or operated by NCPA, its Members, SCPPA, and SCPPA Members; 11. Matheson Tri-Gas, Inc. First Amendment to the existing five year Multi-Task General Services Agreement to increase the not to exceed amount from \$200,000 to \$750,000 for gases, supplies and rental services for use at all facilities owned and/or operated by NCPA, its Members, SCPPA and SCPPA Members; 12. Pacific Gas & Electric updated Standby Service Agreement for the purchase of backfeed power while LEC is offline.

Moved by:

CDWR

Seconded by:

Lodi

Discussion: There was no further discussion.

Vote Summary on Motion		
Participant	Vote	Particulars / GES
Azusa	Yes	2.7857%
BART	Absent	6.6000%
Biggs	Yes	0.2679%
CDWR	Yes	33.5000%
Gridley	Absent	1.9643%
Healdsburg	Absent	1.6428%
Lodi	Yes	9.5000%
Lompoc	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	8	87.2215%
Total Noes	0	0.0000%
Total Abstain	0	0.0000%
Total Absent	5	12.7785%
Result:	Motion passes.	

BUSINESS ACTION ITEMS

13. Planned Maintenance Outage Project for May 2017

Mike DeBortoli presented a presentation on the LEC outage scheduled for May 2017. Mike discussed planned work to be performed during the outage which includes HRSG maintenance and plant maintenance. A cost break down of the work to be performed was reviewed.

Date: 3/13/2017

Motion: The PPC approves the May outage and associated cost of \$720,145 and to execute agreements and issue purchase orders for work related to the LEC Heat Recovery Steam Generator Outage Project.

Moved by: Lodi
Seconded by: MID

Discussion:

Vote Summary on Motion

Participant	Vote	Particulars / GES
Azusa	Yes	2.7857%
BART	Absent	6.6000%
Biggs	Yes	0.2679%
CDWR	Yes	33.5000%
Gridley	Absent	1.9643%
Healdsburg	Absent	1.6428%
Lodi	Yes	9.5000%
Lompoc	Yes	2.0357%
Modesto	Yes	10.7143%
Plumas-Sierra	Absent	0.7857%
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Ukiah	Absent	1.7857%
Vote Summary		
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Result:	Motion passes.	

14. Lodi Energy Center Annual Budget for Fiscal Year 2018

Mike DeBortoli presented the LEC proposed annual budget for fiscal year 2018. A new presentation was sent out excluding PWRPA costs. Mike reviewed the presentation highlighting that PWRPA costs were removed, labor adjusted and fuel savings. Net cost increase of ~\$140,000. Proposed projects were reviewed. There was also discussion with regard to the ammonia risk reduction.

Date: 3/13/2017

Motion: The PPC approves the LEC annual budget for fiscal year 2018.

Moved by: CDWR

Seconded by: Lodi

Discussion: There was no further discussion.

Vote Summary on Motion		
Participant	Vote	Particulars / GES
Azusa	Yes	2.7857%
BART	Absent	6.6000%
Biggs	Yes	0.2679%
CDWR	Yes	33.5000%

Gridley	Absent	1.9643%
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Vote Summary		
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Result:	Motion passes.	

INFORMATIONAL ITEMS

15. NCPA Commission Interim Policy on Revenue Allocation

James Takehara from NCPA Power Management gave a verbal briefing to the PPC on an interim policy adopted by the Commission for allocating revenues to Members. James gave a background overview stating that the Commission was looking for ways to expand Power Management services to third parties which created a need to find out what to do with revenues. The Commission was presented a policy and adopted an interim policy for one year on allocations. James explained that they used the Nexant output model. The activity doesn't change the way Power Management costs are presented to the LEC participants. There's a subcommittee in place of four Utility Directors to fine tune the elements. The interim policy covers FY18. The goal is to get another recommendation before FY19.

There was further discussion and comment from the PPC that this was the first the PPC has heard of this. James mentioned that he noted and wrote down the comments and would take them back to the Utility Directors. The PPC requested a standing item for this subject on the next agenda to receive a report back from Power Management.

Adjournment

The next regular meeting of the PPC is scheduled for Monday, April 10, 2017.

The meeting was adjourned.

Submitted by: Tracy Kves